



## PRESS RELEASE

Cologne, 7 May 2009

### EUROPEAN DEVELOPMENT FINANCE INSTITUTIONS (EDFI) SIGN PRINCIPLES ON RESPONSIBLE FINANCING

**The European Development Finance Institutions (EDFI) today signed a declaration on Principles that all members will follow when co-financing projects. This forms another cornerstone in the harmonization of policies and procedures of these 16 European institutions.**

EDFI, the Association of European Development Finance Institutions, is a group of sixteen bilateral European development finance institutions, whose members provide long term finance for private sector enterprises in developing and reforming economies. The main objectives of EDFI, which was founded in Brussels in 1992, are to foster cooperation among its members and to strengthen links between these and EU institutions.

With the Principles on Responsible Financing signed today in Cologne, the EDFI emphasized that a cornerstone of their investment activities is to have a positive impact on the local communities where they invest. It is a powerful success for the process of further harmonising policies of the international development finance community. The Principles especially underline that the respect for human rights and environmental sustainability is a prerequisite for any financing by EDFI institutions. The Principles give an important and clear signal to the market that all EDFI members follow harmonized standards in their evaluation of environmental and social risks of projects.

It is the conviction of the EDFI members that responsibly managed companies play a vital part in a long-term positive environmental, social and economic development. They employ and train people, pay taxes, and build and operate infrastructure and services. Such businesses set an example for other companies. They also generate sustainable economic growth, which benefits the poor. The EDFI members therefore require their investee companies to work over time towards relevant international best practice norms and standards, also encouraging them to promote the same standards throughout their supply chains, e.g., with their contractors.

Already in 2007 the EDFI members had agreed on harmonized Environmental and Social Standards for any mutual financing activities, especially regarding any project financed through the EUROPEAN FINANCING PARTNERS S.A. (EFP) facility. These standards encompass (a) Environmental and Social Category Definitions, (b) Requirements for Environmental and Social Due Diligence, Environmental and Social Contractual Requirements and Monitoring and (c) an Exclusion List, all of which will be reviewed regularly. Benchmarks for the EDFI members are the UN Declaration of Human Rights, the ILO Core Conventions and the IFC Performance Standards on Economic and Social Sustainability and associated Environmental and Health & Safety Guidelines.

At the end of 2008, the total investment portfolio of EDFI members was €17 billion.

The EDFI members are: AWS, Austria - BIO, Belgium - CDC, United Kingdom - COFIDES, Spain - DEG, Germany - FINNFUND, Finland - FMO, Holland - IFU/IØ, Denmark - NORFUND, Norway - OeEB, Austria - PROPARCO, France - SBI/BMI, Belgium - Sifem, Switzerland - SIMEST, Italy - SOFID, Portugal - SWEDFUND, Sweden.

**For further information about EDFI, please contact Jan RIXEN, tel. +32 2 230 2369 [jan.rixen@edfi.eu](mailto:jan.rixen@edfi.eu) or visit <http://www.edfi.eu>**