The structuration of issue-based fields: social accountability, social movements and the Equator Principles issue-based field

Niamh O'Sullivan and Brendan O'Dwyer

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ABSTRACT

This paper presents a longitudinal case study examining why and how commercial banks sought to integrate sustainability issues into their project finance operations between 2003 and 2008. We study the evolution of a set of influential environmental and social risk management guidelines for project finance - the Equator Principles (EP) - and the simultaneous structuration of a field around these guidelines focused on the issue of socially accountable project finance. The case is theoretically framed using Hoffman's (1999) concept of an issue-based field and associated conceptualisations of the role of internal and external (social) movements in the structuration of these fields. The structuration of the issue-based field studied is shown to encompass a dynamic, contested process involving extensive interactions between a non-governmental organization (NGO) movement and a commercial bank movement. We unveil how the conflicting, collective rationales and actions of both movements fuelled the structuration process and facilitated an evolution in the social accountability of commercial banks. While prior work sees little potential for civil society actors to engage with and move corporate social responsibility and reporting in a more challenging direction, we reveal how the NGO movement evoked a progression in social responsibility and reporting in a sector that had previously shown little inclination to address its wider social accountability. Drawing on our case analysis, we theorize how issue-based fields cohere and crystallise, particularly how they build an institutional infrastructure based upon the infrastructure of the mature field which they straddle and which the relevant issue impacts upon.

INTRODUCTION

In the wake of the 2008 financial crisis, the US Government's Financial Crisis Inquiry Commission indicated that one of its main causes was a collapse in accountability among some of the world's largest financial institutions. The Commission concluded that many industry leaders were lulled into taking unwarranted risks that ended up having devastating social consequences (Economist Intelligence Unit, 2012; Roberts & Jones, 2009). As a result, increased scrutiny of financial institutions' social licence to operate emerged, leading to escalating interest in examining their social accountability (Hopwood, 2009; McSweeney, 2009). While the financial crisis highlighted the adverse direct social impacts of certain financial sector activities, the sector's core lending and investment practices have long been seen to have indirect social (and environmental) consequences, particularly with respect to decisions to lend to or invest in entities whose operations may have damaging impacts on society and/or the environment (Scholtens, 2006, 2009). Although efforts to consider social and environmental impacts within lending and investment practices existed prior to the financial crisis (Coulson & O'Sullivan, 2014; Dejean, Gond, & Leca, 2004; Scholtens, 2006, 2009), we are limited in our understanding of the dynamics of these processes, such as why and how these processes emerged, how actors within and outside the financial sector interacted and influenced these processes, and the nature and extent of the institutional change they effected. In particular, we know little about the extent to which such change processes advanced social accountability in the financial sector.

This study attends to these change dynamics, and their effects. It investigates why and how commercial banks began to address sustainability issues in their 'project finance'[1] operations from 2003 onwards and how this was catalysed by non-governmental organization (NGO) campaigns promoting socially accountable finance. It further examines the effects these processes had on the project finance field and on commercial bank social accountability; particularly the evolution in the nature of commercial bank reporting on their environmental and social risk assessment processes. Specifically, we present a longitudinal case study examining the evolution and adoption of the Equator Principles (EP), a suite of environmental and social risk management guidelines for commercial banks' project finance activities. The Principles represent one of the most significant social accountability initiatives to have emerged within financial markets in the past decade. We examine the

[1] Project finance is a method of funding in which the lender looks primarily to the revenues generated by a single project, both as the source of repayment and as security for the exposure to default. It can involve the financing of the construction of a new capital installation, or the refinancing of an existing installation, with or without improvements. The borrower is usually a Special Purpose Entity (SPE) which is not permitted to perform any function other than developing, owning and operating the financed installation. As a consequence, the repayment depends primarily on the project's cash flow and on the collateral value of the project's assets (Equator Principles II, 2006).

role of an NGO movement operating outside the mature project finance field and the role of a commercial bank movement from within this field in the structuration of a separate, but related, field focused on the issue of socially accountable finance – what we term "the Equator Principles (EP) issue-based field"[2]. We simultaneously study how this process influenced how commercial banks adopting the Equator Principles (termed Equator Principles Financial Institutions (EPFIs)) addressed their social accountability[3]. The case is theoretically framed using Hoffman's (1999) concept of an issue-based field and associated conceptualisations of the role of internal and external (social) movements in the structuration of fields formed around key issues.

Our analysis unveils how the conflicting collective rationales and actions of the NGO and Equator Principles Financial Institution (EPFI) movements regarding the issue of socially accountable project finance shaped the Equator Principles (EP) issue-based field structuration process and an ensuing evolution in EPFI social accountability.[4] We offer a nuanced understanding of the dynamic, political and contested interactions between NGO and corporate movements in the structuration of (sustainability-related) issue-based fields, especially in financial markets (see, King & Pearce, 2010), and of how these interactions influence the construction of "new categories and standards of accountability" (King & Pearce, 2010, p.260). Drawing on our analysis, we theorize how issue-based fields cohere and crystallise, particularly how they evolve an institutional infrastructure based upon the infrastructure of the existing mature field which they straddle, and which the issue impacts upon.

We make a number of theoretical and empirical contributions to the literature. First, the extant literature provides rich agentic accounts of field structuration which emphasise the interplay between the notions of institutional entrepreneur, (collective) rationality, logics, theorisation, framing and diffusion, resource mobilization, collective action, and social movements in dynamic processes of field evolution and change (see, Hardy & Maguire, 2008; Wooten & Hoffman, 2008; Schneiberg & Lounsbury, 2008). However, this literature has predominantly focused on mature and emerging organizational fields (e.g. Ezzamel, Robson, & Stapleton, 2012; Greenwood & Suddaby, 2006;

[2] "An organizational field is composed of sets of institutions and networks of organizations that together constitute a recognizable area of life" (Maguire, Hardy & Lawrence, 2004, p.657). An *issue-based* field is formed around an issue, as opposed to common technologies or industries, and brings disparate groups together (Hoffman, 1999). We view field structuration as an on-going, iterative process between field institutions/structures and agency which is reflected in the nature of the inter-organizational infrastructure (common meaning, relational and operational systems) that arises at field level (Scott, 2008). We elaborate on these notions in the theoretical framing in the next section.

[3] Equator Principles Financial Institutions (EPFIs) are financial institutions that adopted the Equator Principles. EPFIs also encompass all of those financial institutions that were the initiators and original developers of the Equator Principles (who also went on to adopt the Equator Principles).

[4] Please refer to Appendix I for a list of the acronyms used throughout the paper.

Lounsbury 2002; Dejean, Gond, & Leca, 2004; Purdy & Gray, 2009; Suddaby, Cooper, & Greenwood, 2007), with analyses of issue-based fields (Hoffman, 1999), and in particular how and why issue-based field structuration unfolds, remaining largely neglected. We contend that our focus on issue-based fields is important as it allows for a better understanding of how issues, in particular sustainability-related issues (in our case, the issue of socially accountable finance), affect and are affected by mature fields (here, the commercial bank project finance field), and of how separate fields can develop around specific issues yet continue to influence, and be influenced by the mature fields they impact on. Given the prominence of sustainability issues in contemporary societies and markets and the prevalence of a wide-range of issue-specific corporate sustainability principles, standards and codes of conduct throughout these contexts, we contend that it is necessary to analyse the emergence of such phenomena in depth in order to better comprehend how sustainability issues are infiltrating mature (corporate) fields and affecting corporate social accountability processes. Our analysis extends Hoffman's (1999) study of how the issue of corporate environmentalism was interpreted and addressed by the US chemical industry and his theorisation of how fields develop around issues as opposed to markets or technologies. Moreover, we advance Hoffman's (1999) conceptualisation of issue-based fields, as we theorize how and why they evolve an institutional infrastructure.

Second, we progress prior work exploring the institutionalization processes surrounding corporate social reporting and accountability (see, for example, Archel, Husillos, & Spence, 2011; Bebbington, Kirk, & Larrinaga, 2012; Cooper & Owen, 2007; O'Sullivan & O'Dwyer, 2009). The case illustrates how environmental and social risk assessment became a component part of credit risk analysis in project finance, and how this risk assessment process came to be reported on as part of a collective (and individual) commercial bank effort to encourage environmental and social due diligence and socially responsible decision making. In particular, we show how the EP issue-based field structuration process initiated and advanced the production of accounts of banks' efforts to categorise, quantify, monitor and avoid (where possible) environmental and social risks. This advances our understanding of the impact of field-level institutionalization processes on the evolution of corporate social and environmental reporting practices. We develop the findings of Archel et al. (2011) regarding the relationship dynamics that transpire in the structuration of a field focused on improving corporate accountability by extending and nuancing their insights into the role of activist stakeholders such as NGO movements in the structuration of this form of field. While aspects of our analysis concur with Archel et al.'s (2011) questioning of the potential for civil society actors to engage with and move corporate social responsibility and reporting in a more challenging direction (see also, Cooper & Owen, 2007), we temper their conclusions by unveiling how a set of civil society actors (in the form of an NGO movement) evoked a progression in social responsibility and reporting in a sector that had previously shown little inclination to address its wider social accountability.

Third, by unveiling the role of NGO and Equator Principles Financial Institution (EPFI) movements in the Equator Principles issue-based field structuration process, we extend the literature on the effects of external and internal movements on institutional change and field structuration (e.g. Fligstein, 1996; Hensman, 2003; Lounsbury, Ventresca & Hirsch, 2003; van Wijk et. al., 2013). In particular, we advance aspects of van Wijk et al.'s (2013) study of the relationship between external movements and field incumbents in field structuration processes by providing insights into how the nature of the issue fuelling movement activity can influence these processes. Van Wijk et al. (2013) suggest that the ambiguity of an issue may contribute to more collaborative work between mature field incumbents and less powerful external movements in field structuration. However, while we reveal some collaborative efforts between the NGO and Equator Principles Financial Institution (EPFI) movements, we find that the newness or ambiguity of an issue (such as socially accountable project finance) allows for a certain level of capture of the issue by powerful field incumbents who possess the necessary resources to develop issue-based institutions and practices which predominantly suit their preferred rationale and logics. This accentuates the combative as opposed to collaborative nature of the interactions between mature field incumbents and less powerful external movements in field structuration processes.

The remainder of the paper proceeds as follows. The next section introduces the theoretical framing adopted in the study. The research methods are subsequently outlined before a narrative of the case analysis is presented. This narrative traces the Equator Principles (EP) issue-based field structuration process between 2003 and 2008, emphasising the co-evolution of the field structuration process with advances in the social accountability of financial institutions adopting the Equator Principle. The paper proceeds to discuss the case analysis in the context of the theoretical framing and proposes a model of issue-based field structuration before concluding with some recommendations for future research.

THEORETICAL CONTEXT

In order to frame our analysis of the structuration of the Equator Principles (EP) issue-based field, we mobilize Hoffman's (1999) conception of issue-based fields alongside associated conceptualisations of the role of internal and external (social) movements in the structuration of such fields. This framing serves as a sensemaking device to focus our analysis and help develop our understanding, communication and theorisation of the issue-based field structuration process (Ahrens & Chapman, 2006). Below, we develop this framing by elaborating on the notion of issue-based fields and the role of collective sets of actors in the structuration of such fields.

Characterising issue-based fields

Organizational fields arise when organizations partake of a common meaning system and increase inter-organizational activity, information exchange and mutual awareness (Di Maggio & Powell, 1983; Hoffman, 1999; Scott, 2008). Issue-based fields are distinct from common conceptions of organizational fields as they are "not formed around common technologies or common industries, but around issues that bring together various field constituents with disparate purposes" and interests (Hoffman, 1999, p. 352). Issues that become important to the interests and objectives of a specific collective define what the field is, making links that may not have previously been made. Hence, an issue-based field is not merely a collection of influential organizations; it is the centre of common channels of dialogue and discussion where competing interests continually negotiate over issue interpretation, and thus the institutions that will guide organizational behaviour (Hoffman, 1999). While not all field constituents will impact on negotiations over issue interpretation, this continual contestation and conflict can result in a process more akin to "institutional war than isomorphic dialogue" (Hoffman, 1999, p. 352) as fields become arenas of power relations in which interpretive struggles are constantly played out among a constellation of actors holding different perspectives underpinned by competing logics (Greenwood & Suddaby, 2006; Lounsbury, 2007; Wooten & Hoffman, 2008). These characteristics render issue-based fields contested and dynamic in contrast to the settled character commonly ascribed to organizational fields (Wooten & Hoffman, 2008).

While organizations can claim to be part of an issue-based field or not, their membership is ultimately defined through patterns of social interaction. Hence, if an organization chooses to disregard an emerging issue, for example, the issue of socially accountable project finance studied in this paper, others may crystallise the field formation process for them (Hoffman, 1999). This process is often stimulated by social movement campaigns and/or protests raising awareness of a new issue or offering alternative framings of an existing issue.

The role of internal and external (social) movements in issue-based field structuration

Hoffman's (1999) conceptualisation of issue-based fields as socially constructed, dynamic and political spaces is complemented by the social movement perspective as this perspective accentuates the role that collective action and contentiousness play in field structuration processes (King & Pearce, 2010). Social movement theory highlights how actors work collectively to frame (societal) issues of concern and mobilize collective rationality, resources (which can be political, financial, organizational, cultural or symbolic) and action around these issues in order to induce field level change by altering embedded norms, values and practices (McCarthy & Zald, 1977; Misangyi, Weaver, & Elms, 2008). Movements operate both within and outside (or on the periphery of) existing fields (Davis, Morrill, Rao, & Soule, 2008) and can have a profound effect on field structuration and change processes (Lounsbury, Ventresca, & Hirsch, 2003), especially those focused around specific issues of societal concern such as corporate accountability (Hoffman, 1999; van Wijk et al., 2013).

Actors within movements (re)construct collective rationales for institutional change in order to gain legitimacy or support for their preferred choice of action (Hardy & Maguire, 2008; Schneiberg & Lounsbury, 2008). They mobilize narratives, rhetoric and analogies - for example, the publication of books, reports and media stories - to help frame and theorize their vision of change (Greenwood & Suddaby, 2006; Etzion & Ferraro, 2010). Sense-making, interpretation, and the formulation of responses and motivating actions regarding an identified problem are embedded in framing processes (Benford & Snow, 2000), while theorisation highlights the failings of existing norms and practices and mobilizes understandable and compelling formats to "justify … new norms and practices in terms of moral or pragmatic considerations" (Dacin et al., 2002, p.48). Both framing and theorisation enable movements to "discredit the status quo and to present the alternative practices they are championing as necessary, valid and appropriate in ways that resonate with other field members" (Hardy & Maguire, 2008, p. 208).

Movements external to existing fields (external movements) tend to challenge dominant institutions and institutional arrangements. Given that individual actors at the periphery of fields may lack resources and influence (Hardy & Maguire, 2008), these external movements can develop as a vehicle of collective action, or "an accumulator of political power" (Schneiberg & Lounsbury, 2008, p.664) by pooling individual peripheral actor efforts and resources in order to better influence change within an existing field (Den Hond & De Bakker, 2007; King, 2008). These “challenger” movements (Fligstein, 1996) often adopt a conflict-oriented character (but see, van Wijk et al., 2013) in order to disrupt, redefine or reframe existing arrangements using protests, boycotts and direct action aimed at dramatising perceived problems (Hoffman, 1999; King & Soule, 2007). By promoting an awareness of certain problems, they seek to subvert the taken-for-grantedness of existing arrangements and evoke controversy and debate *within* existing fields. This can provoke new patterns of interaction among organizations revolving around specific issues of concern or controversy (Soule, 2012).

Internal movements seek to instigate change from within fields using established networks, resources and power structures. In contrast to external movements they “may be more likely to err on the conservative side” (Schneiberg & Lounsbury, 2008, p. 660) by seeking to combine proposed new practices with prevailing models and arrangements in order to keep existing structures largely intact (Fligstein, 1996). Their individual participants are “interest-driven, aware and calculative” (Greenwood & Suddaby, 2006, p. 29) often occupying dominant “subject” positions as central actors within existing fields; thus providing the power and resources necessary to mobilize collective institutional action (Maguire et al., 2004; Rao et al., 2003; Sherer & Lee, 2002). Internal movements’ preference for incremental change means that they often oppose the organized attempts by external movements to change the extant institutional order (Rao et al., 2000). In some cases, in theorizing and enacting their (limited) vision of change they seek to assimilate the competing institutional rationale and logics of external movements within the prevailing logic (or logics) of the existing institutional environment (see, Thornton et al., 2012, pp. 165-167). Hence, internal movements often mobilize “rival coalitions of issue entrepreneurs” (Rao et al., 2000, p. 261) championing less radical frames of action. They enrol support by using established networks and resources to diffuse alternative, less radical practices to those proposed by external movements, and “[draw] on existing institutional elements and models to craft new systems” (Schneiberg & Lounsbury, 2008, p.656). In doing so, they become institutional forces in themselves, acting as (political-cultural) vehicles “for diffusion, theorization, recombination and other institutional processes within fields” (Schneiberg & Lounsbury, 2008, p.656).

Recent work suggests that collaborative efforts between external, challenger movements and incumbents in mature fields have, in practice, been neglected as avenues to affect field-level change (see, van Wijk et al., 2013). Van Wijk et al. (2013, p. 381) indicate that the nature of the issue promoted by an external movement influences the interplay between the external movement and incumbents in the mature field to which the issue relates. They contend that ambiguous issues that are difficult to measure and attribute allow more room for external influence on an issue's social construction. Issue ambiguity is seen to offer more options for incumbent involvement in the social construction of the issue and may facilitate collaboration between external and internal movements. This collaboration, under certain conditions, is seen as potentially leading to incremental as opposed to radical change in the mature field which the issue impacts upon. Moreover, collaboration between external and internal movements regarding an issue is deemed more likely where legal, governmental and market pressures support the external movements' stance on an issue (Hoffman, 1999; van Wijk et al., 2013).

We mobilize Hoffman's (1999) issue-based field conception and (aspects of) social movement theory above to examine the role played by internal and external (social) movements in the structuration of an issue-based field centred around the EP. We seek to advance Hoffman's conceptualisation of issue-based fields by unveiling how and why the EP issue-based field structuration process evolved an institutional infrastructure based upon the infrastructure of the mature project finance field it straddled, and which the issue of socially accountable finance impacted upon. Drawing on our analysis we construct a theoretical model of issue-based field structuration and unveil how the nature of the issue fuelling (social) movement activity influences the impact of external and internal movements on institutional change and issue-based field structuration. Prior to presenting this structuration process and accompanying theorisation, the following section specifies the research methods we adopted.

RESEARCH METHODS

Research design and data sources

In order to gain an in-depth understanding of the complexities underlying the Equator Principles (EP) issue-based field structuration process (and associated developments in Equator Principles Financial Institution (EPFI) social accountability) we adopted a qualitative case-based research approach (Cooper & Morgan, 2008). This drew on twenty-eight semi-structured interviews conducted over a three year period involving thirty individual interviews with some of the most prominent actors associated with the development and emergence of the Equator Principles[5]. This was supplemented with an extensive examination of the manifest (literal meaning) and latent (deep structural meaning) content of public and private publications relating to the development of the EP. The main objective of the study was to capture, interpret and represent the EP issue-based field structuration process drawing on the meanings key actors brought to the process (Denzin & Lincoln, 2000; Gephart, 2004).

The case study was conducted in two phases between 2006 and 2009. The first phase was undertaken between June and December 2006 and sought NGO perspectives on how and why the EP were developed and how they were being implemented, especially the extent to which the process through which they emerged impacted on how the Equator Principles Financial Institutions (EPFIs)[6] - the financial institutions that adopted the Equator Principles - addressed their social accountability. Semi-structured interviews were conducted with nine senior individuals from nine different NGOs that were members of BankTrack, an international coalition of NGOs that has closely monitored the development of the EP and the financing activities of the EPFIs. These interviewees were purposively chosen due to their historical and first-hand knowledge of NGO campaigns surrounding financial sector investments with significant social and environmental impacts in the run-up to and following the launch of the EP. Access to these interviewees was achieved through the first-named author's contact with one of the NGOs from her previous work experience with UNEP-FI[7], as well as through the BankTrack Coordinator. The BankTrack Coordinator was interviewed a second time in January 2008 to gain more up-to-date NGO perspectives on the manner in which the EP had progressed since 2006. This sought to capture the processual nature of the EP phenomenon and NGO perceptions of this process as it emerged over the 2003 to 2008 period (see Table 1).

Insert Table 1 about here

The second phase of the study was conducted between May 2007 and April 2008. This enrolled a cross-section of Equator Principles Financial Institution (EPFI) perspectives on why and

[5] These comprised senior representatives from the two key actors in this process, the Equator Principles Financial Institutions (EPFIs) and NGOs, as well as other actors including an EP lawyer, EP consultant and two mining companies (an Australian gold mining company and a South African platinum mining company receiving project financing).
[6] The EPFIs also encompass the financial institutions who were the *initiators and original developers* of the Equator Principles, all of whom subsequently adopted the Principles.
[7] UNEP-FI is the United Nations Environment Programme Finance Initiative (UNEP-FI). This is a global initiative between UNEP and the financial services sector addressing sustainable finance issues.

how the EP were created and implemented between 2003 and 2008; and whether and if so, how, this affected the social accountability of the EPFIs. Access to ten different EPFIs was gained and included:

1) Four *'EP leader'* organizations, i.e. banks that were directly involved in developing the EP and adopted them when they were launched on June 4th, 2003. They comprised one Australian EPFI, one Dutch EPFI, one UK EPFI and one US EPFI.

2) Three EP *'early adopter'* organizations, i.e. banks that adopted the EP between June and October 2003. They comprised one (other) Dutch EPFI and two (other) UK EPFIs; and

3) Three EP *'late adopter'* organizations, i.e. banks that adopted the EP between November 2005 and September 2007. They comprised one French EPFI, one Dutch/Belgian EPFI and one South African EPFI.

The majority of interviewees from these EPFIs held senior social and environmental risk management positions. A chief operating officer, worldwide heads of sustainability, and executive and associate directors were also interviewed. Four interviewees were interviewed in one EPFI. In an additional EPFI two individuals were interviewed separately, while in two other EPFIs two individuals were interviewed together. Hence, while the total number of EPFI organizations included in the study was ten, the total number of *individual* interview meetings was fourteen, and the total number of interviewees in these fourteen meetings was sixteen (see Table 2).

Insert Table 2 about here

Prior to both the NGO and EPFI interviews, semi-structured interview guides were prepared comprising of questions that represented the core research themes or constructs informing the study (Eisenhardt, 1989; Patton, 2002). These NGO and EPFI "master-guides" were supplemented with organizational-specific guides/questions for each individual interview which were informed by company websites, reports, external media coverage and the first-named author's observations of and informal interactions with some NGO and EPFI representatives at a number of corporate social responsibility/sustainable finance conferences and meetings over the course of 2005 to 2008.

Eight of the ten NGO interviews were conducted face-to-face. The remaining two were conducted by telephone due to scheduling clashes. Twelve of the fourteen EPFI interviews were conducted face-to-face, while the interviews with the South African and US EPFIs were conducted by telephone due to the geographical distance from the researchers. In many cases there were numerous follow-up emails and telephone calls with interviewees providing further points of clarification that were required following the interviews. All interviews lasted an average of one hour, were recorded on a MP3 player with the consent of the interviewees, and were fully transcribed for analysis purposes.

Data analysis

Transcript data

In all phases of the research, interview transcripts were firstly carefully scrutinised while listening to the recorded interviews in an effort to identify and correct any errors that may have arisen during transcription. A set of codes based on the main question constructs and sub-questions contained in the interviews was then developed (Huberman & Miles, 1994; Ryan & Bernard, 2003). These comprised a mixture of data-driven and (initial) theory-driven codes (Fereday & Muir-Cochrane, 2006) reflecting the key topics addressed in the interviews. The transcripts were then re-read (in some cases several times, often simultaneously re-listening to the interviews) and coded. In the process, any additional issues or codes that may not have arisen during the initial review of transcripts were noted.

This descriptive coding assisted the cross-interview analysis and identification of core themes arising from the interview data; which acted as the basis for the descriptive analysis of the interviews that followed (Patton, 2002) (see Appendix III for a sample of the initial coding scheme). The transcripts (minus the code analysis) were then sent to the interviewees via email for review and approval. Specific areas of clarification or expansion for interviewee attention were highlighted and in many cases some post-interview questions that may have arisen following the interviews or during the reading of the transcripts were prepared. In certain cases, interviewees went to great effort to edit and expand upon their individual interview transcript, with some EPFI interviewees engaging in telephone conversations to address follow-up questions. These conversations were also recorded and transcribed.

Observational data

Observations based on the first author’s experiences while working at UNEP-FI and those arising from the documentary analysis were enrolled to supplement the interview data analysis. For example, the UNEP-FI observations provided key insights into the 'psyche' of banks and NGOs; their perceptions of each other; how they interacted; their differences of opinion on key issues related to sustainable finance; the tensions these differences caused; their growing mutual awareness and respect for each other despite the on-going tensions; and the roles they played in public group forums while developing one-on-one relationships behind the scenes regarding bank policy development and other issues related to sustainable finance. These observations augmented the specific insights gained during the in-depth interviews and were supplemented with further observations made at a number of conferences where sustainable finance and/or the Equator Principles were discussed by both bank and NGO representatives.

Construction of case narrative

The final interview transcripts were used in the further identification, or confirmation, of the key themes emerging in the interviews (see Appendix III). Such respondent validation enhanced the credibility of the interview data and the dependability of the research process (Huberman & Miles, 1994; Patton, 2002). For this paper, these themes were re-interpreted and framed drawing on the principal concepts of: field structuration processes; internal and external (social) movements; and issue-based fields. Our key focus was to ground these concepts in our empirical analysis in order to investigate, understand and explain the complexity of the data embedded in the key themes (Edmondson & McManus, 2007). A number of revised, interrelated overarching themes emerged from this re-interpretation, and included, *inter alia*, NGO visions of socially accountable ('just') finance; a shared NGO meaning system – underpinned by a community-oriented environmental and social logic; theorizing risk management; assimilating competing logics; reconstructing rationales and logics; incentivising incremental change; mobilising collective action and cultural resources; internal and external (social) movement consultation and contestation (over social accountability); pooling resources and mobilising an issue-based community; reflexivity among internal and external (social) movements; cooperation among competitors; governing an internal (social) movement; actor issue-identification; and capturing issue ambiguity[8]. The overall analysis involved an iterative and reflexive interaction between the above themes and the principal concepts in order to inductively derive a case analysis focused on: (1) the NGO activities that helped initiate the EP and influenced the subsequent EP issue-based field structuration process; (2) how and why the EP and the EP issue-based field structuration process evolved; and (3) the effects of this process on how the EPFIs addressed their social accountability. This analysis was subjected to further scrutiny and enrichment drawing on the broader documentary evidence analysis and observational data.

[8] We would like to explicitly recognise the extensive assistance of the two reviewers in assisting with the focus of our interpretation.

CASE CONTEXTUALISATION: PROJECT FINANCE AND THE EQUATOR PRINCIPLES

Project finance has traditionally represented the most visible and tangible environmental and social impact of the finance sector due to its association with the financing of large, complex environmentally and socially sensitive projects involving the installation of dams, power plants, mines, and oil and gas pipelines in developing world and emerging economies. The lender normally relies on the revenues generated by a single project for repayment of and security for the finance provided. For example, in the case of the funding of a power plant, the lender is usually paid solely or almost exclusively out of the money generated by the contracts for the facility's output, such as the electricity sold by the plant. The borrower is usually an SPE (Special Purpose Entity) that is not permitted to perform any function other than developing, owning, and operating the funded installation. Repayment therefore depends primarily on the project's cash flows and on the collateral value of the project's assets (Equator Principles II, 2006).

Project finance deals are financed by both debt and equity. Depending on the project, more than one type of debt provider may be involved. This can include a bank syndicate, multilateral agencies (e.g. The World Bank, International Finance Corporation (IFC) and regional development banks), bilateral agencies (development agencies and export-import financing agencies) and/or Export Credit Agencies (ECAs). Equity for projects is normally provided by the project sponsor(s) and may be supplemented by equity raised in national and international capital markets (Esty & Sesia, 2005; Hoffman, 2008).

Syndication is a typical financing structure for project finance as it spreads out the potential risks associated with a project. An average project finance deal may have 10 to 15 banks involved in the syndicate, including the "lead arranger". The lead arranger agrees with the client to underwrite the loan and to sell the remaining amount to other financial institutions. This creates a syndication of banks that purchase the loan and thus provide debt financing for the project. "Second tier banks", for example, smaller project financiers or emerging market banks, normally make up the majority of this syndicate of lenders.

The Equator Principles were designed as a set of voluntary environmental and social risk management guidelines for project finance. Based on the then International Finance Corporation (IFC) safeguard policies, financial institutions (FIs) were requested to apply the Principles in their execution and management of project finance deals of (originally) $50 million dollars and upwards. When financing (and later also advising on) a project, adopting financial institutions were specifically asked to: review and categorise projects as either "A" (high risk), "B" (moderate risk) or "C" (low risk) as per IFC classifications; ensure an environmental (and later social) assessment and management plan for the project was developed; ensure adequate community consultation was conducted; covenant the borrower to meet Equator Principles' requirements; employ independent experts to monitor borrower compliance; and work with borrowers to address any breaches of compliance. By adopting the Equator Principles, financial institutions voluntarily committed to apply environmental and social principles to the design, execution and management of project finance loans and pledged not to engage with or provide finance to clients who would not comply with the Principles[9].

CASE FINDINGS

Holding Project Finance to account: The emergence of an external NGO movement

Throughout the 1990s, there was widespread privatisation of large-scale public infrastructure projects (e.g. power plants, roads, ports and telecommunications) in developing countries. Combined with the withdrawal of World Bank lending, this led to a dramatic increase in (Western) commercial bank financing for these projects (Wright, 2009) which were rife with adverse environmental and social impacts. A number of international NGOs became concerned that this increased private sector financing meant that "private banks [were] able to operate in relative anonymity" (Rainforest Action Network (RAN) interviewee[10]), and were unconcerned about and unaccountable for the large scale environmental and social impacts of the projects they financed. These NGOs wanted environmental and social impacts integrated into and prioritised within commercial bank lending and investment decisions. Drawing on their extensive knowledge base, they commenced holding these banks to account for the environmental and social impacts of their lending activities using direct advocacy campaigning and strategic shareholder activism (O'Sullivan & O'Dwyer, 2009; Waygood, 2006).

Many of the early campaigns were led by individual NGOs operating alone. These included Friends of the Earth (FOE) US's 1995 campaign against Merrill Lynch and Morgan Stanley regarding their financial links with the Three Gorges Dam (Ethical Corporation, 2006), and FoE Netherlands' 1997 campaign against ABN Amro's financing of the Freeport McMoRan/Rio Tinto gold and copper mining project in West Papua, Indonesia (Steen, 2008). One of the most successful campaigns was The Rainforest Action Network's (RAN) sustained four-year attack on Citigroup which began in 2000.

[9] The EP have been subject to two revisions since their inception. The most recent revision process occurred between 2011 and 2013 and culminated in the launch of what was called EP III in June 2013.
[10] Please see Table 1 for details of the NGO interviewees.

RAN was highly critical of Citigroup's funding for destructive fossil-based projects (RAN, 2005; Wright, 2009) and launched customer boycotts against Citigroup in the US. Between 2000 and 2001, FoE Netherlands and Greenpeace Netherlands also led a highly visible campaign against Dutch banks involved in palm oil plantations in Indonesia. The campaign led to significant media coverage and a letter writing/post card campaign attacking these banks, which many NGOs believe influenced ABN Amro and four other Dutch Banks (FMO, Fortis, ING and Rabobank) to develop forestry policies for clients active in these sectors (FoE Netherlands/Europe interviewee).

In 2002, in an effort to coordinate this escalating, but somewhat disparate campaigning, a global coalition of NGOs – including CRBM, FoE Netherlands, FoE US, The Berne Declaration, RAN and WWF-UK – pooled their political and cultural resources and congregated in order to develop a collective set of formal demands for the financial sector known as "The Collevecchio Declaration". Launched in January 2003, the Declaration outlined various commitments for the incorporation and prioritisation of environmental and social concerns into all financial operations, including commitments to sustainability, responsibility, accountability and transparency. The proposed policies and procedures were aimed at significantly broadening financial institutions' (FIs') risk management practices to ensure enhanced consideration of environmental and social issues (BankTrack, 2004b). The Declaration called upon FIs to take immediate steps to implement the commitments in order to ensure that they retained their "social licence to operate"; a licence the NGOs claimed was under threat as 'civil society' was increasingly questioning FIs' social accountability. Essentially, the Declaration explicitly framed what the NGO collective believed socially accountable finance should represent. This collective vision was underpinned by the adoption of agenda-setting rhetoric mobilising the notion of 'just finance', the rationale for which was underpinned by a community-oriented environmental and social logic:

> I think there was the need for us [NGOs] at the time … to get out ahead of the banks in terms of what our vision of 'just finance' was, so that we could then begin to cross the road there. You know there's always a risk in plotting the road by walking it because then we're adhering our own vision to what the banks think is possible. And actually, I think the Collevecchio Declaration [was] instrumental in setting the goalposts. (Rainforest Action Network (RAN) interviewee)

Theorizing and mobilising resources and action: The advent of the internal Equator Principles Financial Institution (EPFI) movement

The sustained intensity of NGO campaigning, now formally framed within the demands of the Collevecchio Declaration, was widely viewed as having tarnished the reputations of targeted financial institutions (FIs) while increasing the risk of litigation against them due to some campaigns' exposure of environmental and social misconduct by FI project finance clients. The perceived risk of retail customer boycotts and the emergence of new forms of shareholder activism caused some commercial bank executives to believe they needed to respond to these criticisms in a coordinated fashion (Wright & Rwabizambuga, 2006).

Hence, in October 2002, ABN Amro and the International Finance Corporation (IFC) convened a meeting in London (Wright 2006) with Barclays, Citigroup and WestLB to begin discussions on a common approach to perceived challenges to their risk management frameworks. There was significant concern that banks were "not doing enough due diligence and truly understanding the risks" (Dutch EPFI 1, Interviewee 1[11]) associated with their project finance deals. Each bank at the meeting had been the target of extensive NGO campaigning, and all later acknowledged, in various public domains (and within our research interviews), the significant influence the NGO campaigns had on their increased scrutiny of existing approaches to project finance.

The subsequent initiation of the Equator Principles was thus based upon discussions between elite actors within these four banks, in association with the IFC. They theorized the adverse environmental and social impacts of project finance as a problem of risk management that could be resolved by adopting a set of agreed lending principles based on risk management concerns. The underlying market logic driving project finance risk management procedures underpinned these legitimating accounts and represented the beginning of an effort to reconstruct the project finance rationale by assimilating the NGOs' community-oriented environmental and social logic within the prevailing market-oriented risk management logic underpinning project finance (Thornton et al., 2012; Greenwood et al., 2002; Schneiberg & Lounsbury 2008). The market logic was perceived as resonating best with the values and interests of other project finance field participants which could assist in mobilising collective action and resources for the development of the EP. The global stature of the four leading institutions and their central role within the project finance field added credibility to their efforts and acted as resources that assisted them in convincing six additional commercial banks

[11] Please see Table 2 for details of the Equators Principles Financial Institution (EPFI) interviewees.

to support the EP launch. Among these additional six banks there was a strong sense that this was a development that was potentially ground breaking and required their involvement:

> [We thought] if the big boys are in there, the big global banks [who are] the big market leaders in project finance, then obviously this is serious … This [i]s going to be big … [and that] … it was [potentially] ground breaking work in terms of incorporating E, S and G [environment, social and governance]… into the banking sector. (Australian EPFI).

The initial group of four banks were keen to mobilize a critical mass of leading project finance institutions to finalise and launch the EP in order to ensure the credibility of the initiative, reduce the potential market risks associated with it, and to position the EP as an industry standard thereby coercing non-EP compliant banks into adopting the Principles. The nature of the existing project finance syndication market was seen as significantly assisting with this aim:

> We wanted critical mass. I mean I was Global Head of Project Finance at the time, so you know, we were concerned about the competitive element as well […] and we felt that if you could get the right banks involved, because of the nature of the syndication market for these deals, it would help to position Equator as an industry standard […] It would mean that every deal that they [non-EP compliant banks] did with an Equator bank leading it would be Equator compliant. It would make it more difficult for them [non EP compliant banks] to actually arrange and structure a transaction unless they made it Equator compliant. (Dutch EPFI 1, Interviewee 2)

Moreover, many felt that a standardised framework for assessing environmental and social risks in project finance would greatly improve what they saw as the *ad-hoc* application of existing World Bank environmental guidelines to project finance deals, and would also assist in "levelling […] the playing field" (UK EPFI 1, interviewee 1) with respect to environmental and social issues in the project finance market. This would present a more coherent, collective response to the concerns of campaigning NGOs and replace the prevailing "case specific, *ad-hoc* defence against NGO criticism" (Dutch EPFI 1, Interviewee 1).

Theorizing and crafting the Equator Principles: Advancing a rationale for incremental change in project finance

The initial ten banks (we term these the 'EP leaders'[12]) agreed that the EP should be structured to apply *only* to project finance activities. They rationalised this not only because these activities were the main focus of NGO campaigning, but also because the size and structured nature of project finance deals made it easier for financial institutions (FIs) to identify the environmental and social risks associated with particular projects. This allowed them to adjust their credit risk assessment procedures and loan documentation accordingly. In project finance, the use of proceeds is known and the projects' expected revenue streams are regarded as remuneration for the loan. Hence, any potential environmental and social risks that could hamper the successful construction and operation of a project, and thus potentially place the client in default of the loan, ought to be taken into consideration at commencement. In short, project finance was "the one product where banks ha[d] the unique combination of exposure to risk and ability to influence" (Dutch EPFI 1, Interviewee 1). Project finance therefore made environmental and social issues more 'tangible' and manageable than, for example, standard commercial loans where the use of proceeds was not always known and where FIs had less leverage to call in a loan on environmental and social grounds alone. Consistent with their vision of incremental change, in drafting the Principles the banks drew on existing resources within the mature project finance field including: international environmental and social policies and guidelines; their own knowledge of environmental issues; and one of the bank's mining policies.

In general, the EP leaders were aware of the extensive policy and procedural implications that the EP could have within their own organizations and wanted to ensure that the EP could be streamlined with their existing operations. It was therefore essential that the Principles were framed as being easily integrated within traditional decision-making processes in the project finance banks:

> When banks adopt or develop policy it literally becomes law, and it's codified into the way in which that bank does business. So, banks do not take lightly the development of policy on anything. Trust me, [our] oil and gas policy took a year and a half to develop and probably about three months of approval through four different committees […] And in drafting the Equator Principles, that was what all the banks were looking at, they were saying this is going to go into my investment guidelines, this is going to go into my credit guidelines, this is going to change the way in which I look at projects. I need to find ways in which this is built into whatever structures. (Dutch EPFI 1, Interviewee 1)

[12] Throughout the case narrative 'EP leaders' is the term we use to refer collectively to the four commercial banks that initiated the development of the EP and the six banks that later joined them to launch the EP on June 4th, 2003. These ten banks are distinguished from those banks that adopted the EP after they were launched. This latter group are divided into: (1) EP "early adopters" i.e. those banks that adopted the EP between June and October 2003; and (2) EP "late adopters" i.e. those banks that adopted the EP between November 2005 and September 2007. The 'EP leaders', 'early adopters', and 'late adopters' are collectively referred to as the 'Equator Principles Financial Institution (EPFI) movement'.

Furthermore, in order to encourage wider acceptance within the project finance field, a loosely specified, discretionary approach to the structure of the EP was adopted especially regarding accountability requirements related to external reporting on compliance with the Principles:

> The reason [the EP] moved so quickly was because it was a loose association, it was very informal and it was voluntary. If we'd been looking at building something that was a rigid […] structure with formal governance, legal obligations and some sort of accreditation […] we'd still have been debating it I'm sure. It [would] never have been launched. And also, more banks would have been cautious about adopting it. (UK EPFI 1, Interviewee 1)

This overarching risk management rationale, combined with the EP leaders' powerful political positions in the mature project finance field, assisted in diffusing the EP following their launch on June 4th, 2003. The 'early adopters' in our study – financial institutions who adopted the EP between June and October 2003 - perceived the EP as a serious initiative that went beyond public relations and competitive positioning due to the legitimacy they attached to the financial institutions initially involved. Moreover, these early adopters highlighted the importance of being part of an evolving movement towards EP-conditioned loans in the project finance market and the practical benefits of a standardised approach to managing environmental and social risks throughout the field.

Rival movement consultation and contestation

By late 2003, early 2004, a small but growing field focused around the EP was emerging. This was initially populated by the nascent Equator Principles Financial Institution (EPFI) and NGO movements, and, to a lesser extent, the International Finance Corporation (IFC). Subsequently, heightened levels of interaction, mutual awareness, and an increase in the information load surrounding the EP materialised both between and among these bodies. For example, given widespread claims that the EP were starting to alter the face of the project finance market, the EPFI movement started holding meetings to share their initial experiences with EP implementation; discuss the impact of the EP on risk management frameworks; and outline IFC training on EP implementation (EP Website Announcement, 2004a). These meetings sought to enhance the visibility of emerging organizational practices in order to assist EP diffusion among non-EP adopting banks.

In January 2004, the campaigning NGOs organized themselves into a more formal movement named BankTrack. Their aim was to establish a more coherent network capable of exerting greater influence on the activities of the private financial sector. BankTrack immediately entered into a formal dialogue with the EPFI movement, particularly around the lack of accountability mechanisms embedded in the EP structure and across EP banks. Field formation around the EP escalated over the following two years as EP adopters increased and environmental and social consultants and lawyers focused on the EP emerged to advise the increasing number of EP adopters:

> Once the Equator Principles were launched, then more dialogue started, the institutions talked to each other, we learned through each other. There was a huge amount of sharing of information: 'this is what we're doing, what are you doing?' Meetings with the NGOs; two-day meetings talking about reporting and transparency […] we'd obviously got BankTrack [there] with all their own aspirations. And you know, we'd sit down and we had good honest debates with the NGOs. So yeah, the Equator Principles themselves evolved in that initial period, that 12 to 18 month period after they were launched. (Australian EPFI)

The interaction between the EPFIs and BankTrack was often confrontational, particularly as BankTrack continued to contest the lack of EPFI accountability at field and organizational levels in a series of highly publicised documents (BankTrack, 2003, 2004a, 2004b, 2004c, 2005a, 2005b). While the NGO movement openly acknowledged that the development of the EP was the "first time there had been … a substantive industry response to the sustainability agenda … laid out by … NGOs" (Friends of the Earth (FoE), US), they continually contested the discretionary nature of EP adoption, implementation, and compliance.

For the NGOs, these perceived deficiencies raised serious questions about the EPFIs' substantive commitment to their environmental and social responsibilities, particularly as the Collevecchio Declaration had specified the need for banks to address all of their financial operations and not just project finance; which represented less than 5 per cent of commercial bank activities. Moreover, despite the fact that some EPFI leaders were beginning to report on EP implementation, the perceived slow pace and inconsistency of implementation, transparency and disclosure across different EPFIs, as well as evidence of the continued financing of questionable projects by certain EPFIs enraged BankTrack. This was exacerbated by the continuing absence of field-level governance mechanisms to hold the increasing number of EPFI adopters to account. While BankTrack met with the EPFIs and relayed these concerns, the EPFIs refused outright to establish the 'multi-transparent accountability mechanisms' that BankTrack requested:

> After a year and a half we came to them and said "it's not working, we have some banks that have gone beyond project finance or whatever…and we have other banks that aren't even internalising whatever procedures [are necessary] for implementation or keep financing rubbish, so what the hell is going on?" So, if you want to protect the bottom line, to be coherent, you need to put up a sort of multi-transparent

> accountability mechanism. And they said "no, forget it" … And I still see that this is the dividing argument between us and them. I mean beyond whatever policies that you adopt, the fundamental issue is …how you are being held accountable in achieving this by those that are affected by your operations? (Campagna per la Riforma della Banca Mondiale (CRBM) interviewee).

Many EPFI interviewees claimed that the EPFIs' tentative approach to accountability was influenced by the mature commercial bank project finance field's entrenchment in a culture of secrecy, commercial confidentiality, and legal restrictions. Given these characteristics, these interviewees claimed that the EP actually represented a significant departure for the banks involved given that many of them had, at this time, developed no sustainability mandates, established no separate sustainability divisions, and had never produced sustainability reports. Moreover, despite the absence of accountability criteria in the original principles, several EP leader interviewees' claimed that there existed a "gentleman's agreement" (Dutch EPFI 1, Interviewee 1) within their collective to take EP implementation and compliance disclosures seriously. They had agreed that due to the voluntary nature of the Principles, each individual bank should be responsible for its own EP implementation and disclosure and was to be "judged [on its] own individual performance" (UK EPFI 1, Interviewee 1). There was a collective view that no bank had the right to "tell another bank how to run their business" (UK EPFI 1, Interviewee 1) and, as each bank was structured differently, a "one size fits all" approach to implementation and accountability was unworkable.

Nevertheless, the EPFIs were not entirely immune to the NGOs' concerns and gradually began to acknowledge some of the emerging challenges associated with the diffusion and governance of the EP. For example, throughout 2004 and 2005, a 'floating' EP secretariat was established and run by one EPFI via the fledgling EP website. Annual meetings with NGOs and small EPFI-NGO working groups on issues such as disclosure were formed and a rotating EPFI Chair position was established. Hence, a level of reflexivity was evident amongst active EPFIs regarding the manner in which the EP, the EP issue-based field and the EPFI movement were evolving. Nonetheless, despite persistent NGO criticism, the EPFIs exercised their hierarchical position in the issue-based field and continued to reject the NGO movements' requests for more stringent accountability and governance of the EP and EPFI movement. This resistance to enhanced accountability dominated interactions between EPFIs and NGOs, and directly influenced the ongoing structuration of the issue-based field throughout 2004 and 2005.

The persistence of competing accountability rationales

In February 2006, the International Finance Corporation (IFC) revised its *Safeguard Policies* (upon which the EP were based) and introduced environmental and social performance standards. In response, the EPFIs organized a three-month consultation process involving NGOs, project finance clients and some official agencies aimed at drafting a revised set of Principles (EP Website Announcement, 2006). These consultations reflected an increasing level of interaction between participants in the issue-based field as well as a slowly emerging recognition within BankTrack and the EPFI movement of the mutual benefits of more constructive dialogue. Following the consultation process, on July 6th, 2006, the Equator Principles II (EP II) were launched. One of the key new criteria involved the establishment of a reporting Principle, "Principle 10" requesting each adopting EPFI to commit "to report publicly at least annually about its Equator Principles implementation processes and experience, taking into account appropriate confidentiality considerations" (EP II, 2006, p.5, emphasis added). This was accompanied by a footnote, which stipulated that:

> Such reporting should at a minimum include the number of transactions screened by each EPFI, including the categorization accorded to transactions (and may include a breakdown by sector or region), and information regarding implementation. (Equator Principles II (EP II), 2006, p.5)

Even though the NGOs generally welcomed improvements to the structure of EP II, BankTrack found Principle 10 vague in its requirements, and complained that no practical guidance was provided on how it should be implemented. This was deemed a "lowest common denominator" approach to EPFI social accountability and an insufficient response to the extensive transparency and disclosure recommendations that BankTrack had repeatedly framed in detailed texts (see e.g., BankTrack, 2006a, 2006b). The BankTrack coordinator interviewed claimed that, had it not been for the NGO recommendations the reporting footnote would never have existed. The EPFIs, however, again influenced by the professional boundaries of the mature project finance field, asserted that the inclusion of the reporting principle was another important, incremental step in the progression of the EP. A minimum standard for reporting was perceived as the most practical option given the persistence of disclosure-related challenges surrounding commercial confidentiality – particularly regarding the disclosure of internal risk management procedures to competing banks.

The intensification of issue-based field structuration - Influencing the mature project finance field

During the revision process, the three 'late adopter' interviewees – representing banks that adopted the EP between November 2005 and September 2007 - actively considered the significance of the revised EP implementation and reporting requirements for their organizations. The evolving issue-based field began to significantly influence the mature commercial bank project finance field when by late 2005 EPFIs were widely quoted as arranging over 70% of project finance deals. These market trends meant it was becoming increasingly difficult for any bank to enter into project finance syndication without being an EP adopter:

> Basically, the idea in the end was that we had all the structures, all the tools to be in line with the Equator Principles, so why not adopt them? And on the other hand there were some, of course, broader connections [between] the top management and IFC, and with other banks, [who were] saying 'you should join now because it could be very good for you and the Equator Principles', because [Name of interviewee organization] is such a big institution for project finance […] I think what was also an incentive to join was that when we asked the business line what they thought about it they said 'well, we already asked to [adopt it] actually because the market is asking for it'. Nowadays, when you are either an advisor or the arranger for project finance you have to think about the Principles if you want to syndicate the loan. (French EPFI, Interviewee 1)

The arrival of these late adopters signified the Equator Principles' growing stature as the recognised standard or norm for socially accountable project finance. They both experienced and contributed to the emerging movement towards EP adoption in the project finance field as well as having the advantage of being able to learn from and benchmark themselves against the perceived "best practice" of existing EPFIs. Interviewees noted how the issue-based field – particularly the support of the EPFI movement and the growing body of EP consultants – was, at this stage, facilitating even greater information exchange and capacity building around EP implementation. One interviewee highlighted the extensive "body of knowledge and body of practice" that he could draw on, which, he claimed, was aided by the "collegial relationship between the various Equator [EP] banks" thereby allowing him to "call on others in other banks to get advice" when needed (Dutch/Belgian EPFI, Interviewee 2).

The support for EP implementation within financial institutions increased further when, following an EPFI meeting in Washington in May 2007, a brief guidance document for reporting on EP implementation was produced. This proposed minimum requirements for reporting, suggestions on the extent of information disclosures, and formats for data presentation (EP, 2007). In addition, working groups focused on discussing EP loan documentation processes, governance issues, and NGO engagement were either newly formed or became more formalised thereby further increasing the level of collective EPFI action on EP diffusion.

Evolving issue-based field contestation and structuration

Despite some EP adopters' individual efforts to implement the EP over the 2004 to 2007 period, active EPFIs concluded that certain EPFIs [termed 'free riders' by BankTrack] were "exploit[ing] the Equator Principles as some sort of environmental PR [public relations] mechanism" (UK EPFI 1, Interviewee 1). These included EPFIs who claimed to have adopted the EP but had no project finance operations, were not involved in various EP issue-based field activities, and/or continued to finance highly questionable transactions. Hence, as the total number of EPFIs had risen to forty by 2007, the small number of 10 to 15 active EPFIs considered reconstituting the EP requirements in order to better manage the relationship between the EPFI movement "vanguard and tail" (UK EPFI 1, Interviewee 1). A working group on EPFI governance at field and organizational level was developed where EPFIs decided that external reporting on EP compliance should become *the* required EP membership condition.

These requirements were developed against the background of a BankTrack public assessment of EPFI reporting which showed that of the EPFIs that had adopted the EP before 2007 "40 per cent did not meet the[se] minimum [reporting] requirements, [while] 19 per cent met them, and 40 per cent exceeded them" (BankTrack, 2007a, p.1). Hence, while the NGOs welcomed the EPFI movement's efforts to finally address some aspects of EP accountability and governance, they were again dismissive of the new reporting proposal, insisting that it represented "a very minimal change" (BankTrack Coordinator). It was perceived as a wholly inadequate way of addressing the EP 'free-rider' problem, especially as the reporting requirements were not stringent and, according to the BankTrack Coordinator, "just basically put in writing what ABN Amro and a few other banks [we]re doing already". In general, the NGOs wanted much more information disclosed on banks' clients, individual projects, and so-called "rosy deals" i.e. deals where the EP had been effectively applied (to match the list of EPFI "dodgy deals" posted on the BankTrack website).

The EPFIs, however, insisted, that, in the absence of more formal accountability mechanisms "the [ultimate] sanction [was] the bank's reputation" (US EPFI). Moreover, they diverted their attention towards developing a new EP management structure which came into operation in early 2008 and marked a significant departure in the governance of the EP. This structure established a steering committee comprising many of the original "group of ten" EPFIs and a set of seven working groups. An EPFI Chair was formed to oversee the steering committee, working groups and engagement with the IFC, and a more formal secretariat function was established to deal with EP administration. These developments further enhanced the sophistication of the emerging issue-based field infrastructure.

A progression in EPFI social accountability: The EP 'institution' in 2008

By the fifth anniversary of the EP in June 2008, there were sixty adopting EPFIs and the Principles were widely recognised as the "gold standard for sustainable project finance … [that had] … transformed the funding of major projects globally" (EP Press Release, 2008a). For example, it was estimated that in 2007, 71 per cent of the total debt tracked in emerging markets was subject to the EP (EP Press Release, 2008a). The EP had evolved into *the* project finance "institution", influencing the lending practices of active EPFIs in the mature commercial bank project finance field. The Principles were embedded into: the due diligence carried out on a project (involving Principles 1, 2 and 3); credit risk approval processes (Principles 4, 5 and 6); the initial term sheet and loan documentation (Principle 8); and the loan documentation over the life of a loan (Principles 5 to 9 inclusive). They also increased the EPFIs' need to demonstrate some level of social accountability (Principle 10). For example, one EPFI interviewee claimed that:

> They [EP] are making differences in which decisions [are made] […] [Name of interviewee organization] turn down transactions for non-Equator compliance. I know other banks that have done the same thing. The Equator Principles allow banks to get into discussions with clients to try and change things. (Dutch EPFI 1, Interviewee 1)

Several EPFI interviewees indicated that the EP had created a much needed standardised framework for environmental and social risk management for project financiers; where the EP had created a "community" of broad stakeholders, and facilitated the common recognition and communication of environmental and social issues within project finance practice. This highlighted the increasingly structured nature of the issue-based field:

> [There are] benefits to the bank and benefits to the client, and Equator is now just part of the terminology, it is part of the lexicon surrounding project finance. The biggest success to me is not about the 54 banks that have adopted it, it's actually the fact that lawyers talk about the Equator Principles and environmental consultants talk about the Equator Principles, and the banks. And now it's […] created a community and it's made it more efficient in terms of communication. As soon as you say 'Equator' you should know what environmental management standards we're talking about. (UK EPFI 1, Interviewee 1)

A maturing of the relationship between the NGO and EPFI movements also emerged throughout the field. While their relationship had long been strained given their competing rationales for socially accountable project finance, their mutual tolerance, respect and understanding of each other had improved by 2008. Interviewees from both NGOs and the EPFIs indicated that while significant, and often irresolvable, differences remained and contestation continued, they now recognised more opportunities for cooperation around the EP and broader environmental and social policies and activities:

> I think most of them [active EPFI representatives] want the Equator Principles to be properly applied. But the dilemmas of the individual project officer, who's struggling with [EP] requirements on the one hand, and the need to sign the deal on the other, is a difficulty […] [So] it was very much the effort of the banks to make us more aware of their everyday problems, and I always like to hear that, as it refines your thinking. (BankTrack)

With respect to EPFIs' environmental and social reporting, despite the NGOs' continuing concerns, the level and quality of EPFI transparency and disclosure regarding EP implementation increased significantly between 2003 and 2008. By 2008, the majority of EPFIs were meeting the basic EP reporting requirements of Principle 10 – the EPFI "membership" condition. Many EPFIs, and certainly those interviewed for this research, went well beyond the basic minimum reporting requirements to include varying levels of information on key aspects of their EP implementation procedures. They also published case studies on "dilemmas" regarding challenging or high profile projects and the stakeholder engagements associated with these. EP leader organizations were at the forefront of this EP-related disclosure thereby reflecting a trend towards greater, albeit selective, exposure of internal environmental and social policies and risk management approaches.

DISCUSSION

The case narrative reveals how the NGO and Equator Principles Financial Institution (EPFI) movements shaped Equator Principles issue-based field structuration through their (re)construction of competing rationales and mobilization of collective action and political and cultural resources around their opposing notions of socially accountable project finance. This structuration process was predominantly controlled by the incumbent EPFI movement and was iteratively and recursively linked to the existing infrastructure (cultural, relational and operational systems) of the mature project finance field.

The analysis unveils how, initially, individual and later collective NGO campaigns drew public attention to the adverse environmental and social implications of finance sector lending activities. Throughout these campaigns NGOs constructed a shared meaning system around 'socially accountable finance', the rationale for which was underpinned by a community-oriented environmental and social logic. The NGOs' collective approach strengthened their salience and their potential influence on the finance sector (King, 2008). In particular, it created uncertainty in the parts of the commercial bank community engaged in project finance causing key individuals in organizations that had been targeted by NGO campaigning to question the adequacy of their existing risk management frameworks. These incumbents theorized the need for change and sought to reconstruct the existing rationale for project finance by assimilating the NGOs' community-oriented environmental and social logic within the prevailing market-oriented risk management logic underpinning project finance (Thornton et al., 2012). To do so, they enrolled their existing knowledge and experience with environmental risk management to produce a draft set of environmental and social principles for project finance, and used their central, elite positions in the project finance field to mobilize the additional political support necessary to create the Equator Principles.

While the external NGO movement influenced the initiation of the Equator Principles Financial Institution (EPFI) movement within the project finance field (see also, Davis et al., 2008; Fligstein, 1996), it was ultimately unable to mobilize sufficient resources to ensure that its vision of 'just finance' prevailed. In particular, the absence of stringent EP accountability mechanisms undermined its vision of socially accountable finance. The EPFIs, given their embeddedness in the mature project finance field, saw their priority as developing a set of 'aspirational' environmental and social risk management guidelines which would not threaten, and could even enhance, their competitive advantage. These opposing NGO and EPFI movement visions of what the EP could and should be led to on-going interpretive struggles around the notion of socially accountable project finance and proved central to initiating the structuration of the EP issue-based field.

The EP leaders' theorisation of the EP into understandable and compelling formats through, for example, their justification of new EP norms and practices on pragmatic economic grounds acted as an important EP diffusion mechanism among early adopters (Zilber, 2006). The Equator Principles Financial Institution (EPFI) movement gradually emerged as a political-cultural force for EP diffusion. It drew on the existing meaning systems and professional networks and channels of the extant project finance field. For example, it embedded discussions of the EP into the overarching risk management rationale of the mature project finance field and ensured that the EP could be seamlessly embedded within existing credit risk analysis processes.

Persistent contestation between the NGO and EPFI movements regarding the interpretation of socially accountable project finance was, however, a key characteristic of the field structuration process. Banktrack's social accountability demands were unrelenting and eventually led to the EPFIs considering the necessity of EP external reporting, and of engaging more directly with BankTrack. BankTrack was, however, not powerful enough to persuade the Equator Principles Financial Institutions (EPFIs) to embrace highly stringent field-level accountability mechanisms in the revised EP (EP II). However, as this NGO-EPFI contestation continued, the diffusion of the EP and the simultaneous structuration of the EP issue-based field continued apace. The normative movement toward EP adoption in the project finance market became a key catalyst for EP adoption by late adopters, in particular the nature of the project finance syndication market in which ordinarily competing banks cooperated. Given the nature of this market, if financial institutions failed to adopt the EP, the issue-based field formation would have continued to crystallise without them thereby excluding them from project finance deals. Moreover, late adopters were able to utilise the increasingly structured EPFI movements' information exchange and capacity-building channels at the issue-based field level to assist their EP implementation efforts.

Growth in EP adopters did, however, bring its own problems, particularly in a context where efforts were being made to get competitors to align around an agreed interpretation of EP implementation. For the EP leaders, the initial mobilization of the collective around the EP was accompanied by the challenge of maintaining, co-ordinating and governing this collective (see also, Dorado, 2005). Consequently, EPFI leaders developed, *inter alia*, an EP governance working group and agreed that EPFI reporting would become *the* EP membership requirement from 2007 onwards, in particular to address a persistent EP 'free-rider' problem. By 2008, the EP issue-based field infrastructure had become increasingly sophisticated and the EP were considered as the standard (institution) for socially accountable project finance.

While BankTrack remained highly critical of the EPFI movement's market-oriented rationale and their limited action regarding EPFI accountability, the mutual awareness and respect between the EPFI and NGO movements matured as the EP issue-based field evolved. However, this occurred in a context where normative contestation over the nature of socially accountable project finance persisted.

Theorizing issue-based field structuration

The case analysis extends our understanding of Hoffman's (1999) conceptualisation of how issues, in particular sustainability-related issues, affect mature fields. Drawing on this analysis, we now propose a model which theorizes how issue-based fields evolve an institutional infrastructure (see Figure 1). Central to our model is that issue-based fields evolve an institutional infrastructure - common meaning, relational and operational systems - based primarily upon the infrastructure of the existing mature field which they straddle. In our case, common meaning systems comprise, *inter alia:* the rationale/logics underpinning the EP; EPFI knowledge exchange about EP experiences amongst EPFIs; and rationale/logics and sense-making about EP revisions amid EPFIs. The common relational systems include: the EPFI informal and formal network amongst EPFIs; EPFI (group and individual) formal and informal networks with clients; NGOs (the Banktrack collective and the individual NGOs within it); and EP 'professionals' such as lawyers and consultants. The common operational systems encompass, *inter alia:* EPFI steering committee work; EPFI (group) produced loan documentation and implementation guidance documents for the EP; EPFI training programmes within individual EPFIs; the integration of the EP into individual EPFI project finance processes; and individual EPFI reporting on EP implementation.

Issue-based field structuration processes are seen to be heavily influenced and controlled by elite incumbents occupying key positions within the existing mature field where the issue arises, or which it influences. When mature field disruption or uncertainty arises because of a new issue of concern arising from outside the mature field - in our case, the issue of socially accountable finance advocated by an external NGO movement - these central actors use their powerful field positions to address the issue by instigating change that meets the conditions of the mature field. To achieve this, we propose that these actors work most effectively as a collective (in our case, as an internal movement) by engaging in the (re)construction of mature field rationales and logics - in our case, the assimilation of a community-oriented environmental and social logic into a market logic - and the mobilization of resources and collective action surrounding the issue.

Insert Figure 1 about here

This issue-based field structuration evolves in three key phases. First, in order to theorize the issue, or "problem", and to propose a legitimate course of action to address it, the central actors in the mature field enlist the prevailing rationale and logic of the mature field affected by the issue. They then reconstruct this rationale by assimilating the alternative 'issue-logic' advocated by external issue-actors, such as NGO movements, into the prevailing logic of the mature field (Thornton et al., 2012). This facilitates the establishment of new issue-related institutions (in our case, the Equator Principles) aimed at driving some form of institutional change and represents the first stage of the issue-based field structuration process. This process is distinct from institutional change common in mature fields, where the existing field rationale(s) and logic(s) often need to be replaced as opposed to reconstructed in order to provoke substantive field-level change (see, Greenwood & Suddaby, 2006; Kitchener, 2002; Lounsbury, 2002; Scott, Ruef, Mendel, & Caronna, 2000; Suddaby & Greenwood, 2005).

Second, this reconstruction of rationale(s) and logic(s) assists central actors in mobilising collective resources and action through *existing* mature field networks and channels in order to diffuse new issue-related institutions and practices amongst potential issue-based field constituents; thus making these actors the political-cultural force for (issue) diffusion (Schneiberg & Lounsbury, 2008). These issue-related institutions and practices – such as, in our case, the Equator Principles (EP), the EP steering committee, working groups, EP loan documentation processes, and EP implementation meetings and guidance - simultaneously serve to initially appease those issue-related actors external to the mature field promoting an alternative rationale (Hardy & Maguire, 2008; Wooten & Hoffman, 2008) as these actors perceive these institutions and practices as indicative of an initial willingness to address their key concerns. This represents the second stage of the issue-based field structuration process and whilst it is somewhat similar to the "institutional bricolage"[13] that Maguire et al. (2004) argue occurs in the structuration of emerging fields, we propose that issue-based fields do not suffer to the same extent from the "liability of newness" (Maguire et al., 2004) inherent in emerging fields. This is because, in our case, the EP issue-based field is predominantly based upon the deeply engrained cultural, relational and operational systems and boundaries *of the underlying mature field to which the issue relates*. This implies that the use of existing mature field meaning systems, networks and channels makes the legitimacy, diffusion and enactment of new issue-based field institutions and practices easier than it would be in an emerging field where it is necessary to *newly* establish "clearly defined leading actors, […] a coherent discourse, structures of cooperation and domination, sets of accepted norms, [and] stable interorganizational relationships" (Maguire et al., 2004, p.675).

[13] Bricolage represents "the creation of new practices and institutions from different elements of existing institutions" (Levi-Strauss, 1966, cited in Thornton & Ocasio, 2008, p.117).

Third, issue-based field structuration crystallises through the growth in diverse field occupants and the intensification of their interactions. Issue-based field membership is determined by actors' subjective and wide-ranging relationship *with the issue* and it is this *identification with the issue* that brings disparate powerful and less-powerful actors into closer proximity than is likely in mature or emerging field structuration processes. Interactions between some of these diverse field members (such as the NGO and EPFI movements), through formal or less formal meetings, discussions and exchanges, are, at least initially, contentious. This is due to their often competing rationales regarding the issue, the nature and trajectory of the new issue-related institution (in our case, the Equator Principles), and the level of perceived change the new issue-related institution is instigating in the underlying mature-field logics and practice. While disparate actors occupy the issue-based field and interact more than they would in mature field settings, the hierarchical relationships and power struggles existing between them (for example, between the EPFI and NGO movements) *as they interact around the mature field* are mainly transferred to the issue-based field where powerful, central mature field actors largely control the progression of the issue-based institution and practices through formalised issue-coalitions or associations (such as the EP Association). Such formalised forums become more sophisticated with an increase in members from the mature field as the new issue-related institution (the Equator Principles) continues to be diffused amongst them and they establish coordinated work programmes, management and governance systems. Less powerful actors external to the mature field to which the issue relates (such as NGO movements) can influence these forums through, for example, their advocacy for certain content or structural developments to the emergent issue-institution. However, our case suggests that this influence fluctuates over time and can often be limited due to resource constraints. Ultimately, continuous interaction and openness can lead to mutual awareness and respect developing between competing powerful and less powerful issue-based field actors as they learn about each other's activities and challenges. This creates the potential for more collaborative as opposed to combative interactions. Nevertheless, on-going disparity and tension between their respective rationales surrounding the issue (socially accountable project finance), the issue-related institution (the Equator Principles), and the practices adopted prevents this mutual awareness and respect from instigating more substantive change within the mature field (the project finance field).

Van Wijk et al. (2013) assert that the ambiguity of an issue, especially new sustainability-related issues, may contribute to the likelihood of more collaborative work between mature field incumbents and less powerful competing external movements in field structuration processes.

However, our analysis suggests that the newness or ambiguity of an issue (such as socially accountable project finance) may actually facilitate a certain level of capture of the issue by powerful mature field incumbents who possess the necessary resources to develop issue-based institutions and practices which predominantly suit the rationale and logics of the mature field to which the issue relates. This can accentuate the combative nature of external and internal movement interactions in issue-based field structuration processes. Whether primarily combative or collaborative, we contend that such ongoing moves and counter-moves between less-powerful and powerful issue-related actors continuously shape issue-based field structuration and the institution(s) it supports.

Our case analysis indicates that issue-based field structuration is recursively linked with the underlying mature field, with existing cultural, relational and operational 'pre-conditions' not just influencing the initial stages of issue-based field structuration – as may be the case with emerging fields (Maguire et al., 2004) – but on a continual basis. In turn, we view the issue-related institution (the Equator Principles), and the meaning, relational and operational systems supporting it at issue-based field level as iteratively influencing, to varying degrees, mature field logics and practices (in our case, those associated with project finance) on an ongoing basis. Furthermore, we consider the issue-based field as being "vertically" related, or subordinate, to the more authoritative mature field (see, Fligstein & McAdam, 2011), certainly in the initial stages of issue-based field structuration. However, we propose that both fields develop a more "horizontal" (Fligstein & McAdam, 2011), or mutually dependent, relationship over time as the issue (socially accountable project finance) – and its related institution (the EP) - become more fully accepted and assimilated into mature field logics and practices.

This model of issue-based field structuration could be adapted to other studies that seek a nuanced, contextual understanding of how sustainability-related issues, such as sustainable/socially accountable agriculture, forestry, fishery, mining, and tourism, affect and are affected by the mature fields to which they relate. It could also be mobilized to examine how separate fields can develop around sustainability-related issues, bringing disparate issue-related actors together in cultural, relational and operational contexts that develop issue-related institutions (e.g. standards, codes of conduct) that directly influence how the issue is interpreted and acted upon in the mature field, while at the same time being iteratively and recursively influenced by the infrastructure of the mature field over time. This accentuates the potential of field-level research to investigate fields as "sites where problems of organizing are debated among disparate actors [and is] integral to understanding how organizations construct solutions to the problems of the twenty-first century" (Wooten & Hoffman, 2008, p.143).

CONCLUSIONS

This paper has studied why and how commercial banks began to integrate sustainability issues into their project finance operations and the impact this had on the mature commercial bank project finance field and on commercial bank social accountability. It specifically examined the role of a non-governmental organization (NGO) movement external to the project finance field and an incumbent commercial bank movement within this field in the development of the Equator Principles (EP) and the structuration of the EP issue-based field (Hoffman, 1999). In particular, we evidenced how the conflicting, collective rationales and actions of both the NGO and commercial bank movements surrounding the issue of socially accountable project finance acted as the basis of EP issue-based field structuration, and how this contentious, political process enhanced, rather than constrained, adopting Equator Principles Financial Institutions' (EPFIs') social accountability.

The study makes a number of contributions to the literature. First, it presents a unique account of the structuration of an issue-based field. Our focus advances Hoffman's (1999) conceptualisation of issue-based fields, as we evidence and theorize how and why these fields evolve an institutional infrastructure. We proposed a model of issue-based field structuration which can be mobilized to inform future research into how sustainability issues impact on, and are impacted by, diverse mature fields. Second, we develop prior work examining the institutionalization processes surrounding the development of corporate social reporting and accountability. We unveil how environmental and social risk assessment became a key part of credit risk analysis in project finance, and how this risk assessment process came to be externally reported on as part of a collective (and individual) commercial bank effort to encourage environmental and social due diligence and socially responsible decision making in project finance. Specifically, we illustrate how the EP issue-based field structuration process originated and progressed the production of accounts of banks' efforts to categorise, quantify, monitor and avoid (where possible) environmental and social risks. This develops our comprehension of the influence of field-level institutionalization processes on the evolution of corporate social and environmental reporting practices. We extend Archel et al.'s (2011) insights into the role of activist stakeholders in the structuration of fields focused on corporate social and environmental responsibility and reporting. Archel et al. (2011) contend that activist groups who engage in institutional processes aimed at improving corporate accountability are likely to be conditioned by these processes, thereby gaining only second-order concessions. While we found evidence of second-order concessions from the EPFI movement, we also discovered a continual progression in these concessions as NGO movement engagement deepened throughout the issue-based field formation process. This highlights the importance of unpacking the nature of second-order concessions in order to reveal *the extent of* change, and of not automatically dismissing apparently non-radical concessions as insignificant. Overall, while elements of our analysis concur with Archel et al.'s (2011) and Cooper & Owen's (2007) concerns about the limited potential for civil society actors such as NGOs to shift corporate social responsibility (and reporting) in a more challenging direction, we considerably nuance their conclusions by unveiling how the NGO movement influenced a progression in the attention afforded to these issues in a highly conservative industry sector.

Third, we advance the literature on the impact of external and internal movements on institutional change and field structuration (e.g. Fligstein, 1996) by studying the role of NGO and Equator Principles financial institution (EPFI) movements in the Equator Principles issue-based field structuration process. In particular, we unveil how the nature of the issue fuelling movement activity influences these processes. In contrast to Van Wijk et al.'s (2013) contention that the ambiguity of an issue may contribute to more collaborative work between mature field incumbents and less powerful external movements in field structuration, we propose that the newness or ambiguity of an issue (such as socially accountable project finance) may actually facilitate a certain level of, albeit far from complete, capture of the issue by powerful field incumbents who possess the resources necessary to develop issue-based institutions and practices designed to predominantly suit their preferred rationale and logics.

A number of limitations along with related opportunities for future research arise from this study. First, we predominantly unveil the contentious nature of (social) movement interactions in issue-based field structuration, but there could also be more explicitly collaborative efforts involved (see e.g. van Wijk et al., 2013). While we unveil some, albeit limited, evidence of collaboration in the later stages of our case, future research could explore how intense collaborations between external and internal movements can shape issue-based field structuration in order to advance our theorizations of how collaborative relationships may shape issue-based fields. Of particular interest would be the collaborative conditions under which alternative logics come to dominate, are assimilated, or are ignored (Thornton et al., 2012) as the institutional infrastructure of an issue-based field is constructed. Work of this nature could also explore how, and the extent to which, external movements who collaborate extensively with internal movements become embedded in the evolving issue-based field institutional infrastructure as it evolves and matures. Within these extensive collaborations the extent to which ‘issues of concern’ come to impact upon the logics and practices pervading the mature field to which the issues relate could be compared with our findings. This would extend and develop our theorization of issue-based field structuration to more explicitly collaborative efforts between external and internal movements. Such a focus would also respond to Lee and Lounsbury’s (2015) recent call for an enhanced understanding of how movements usher new logics into fields and “provide an infrastructure as well as a legacy of beliefs and practices that enable logics to endure” (p. 17).

The issue-based field we study specifically focuses on project finance activities in the mature commercial bank field, but there are other commercial bank activities that could also be addressed beyond project finance. For example, it is possible that the creation of the EP issue-based field and the infrastructure underpinning it could facilitate broader consideration and reporting of other major environmental and social issues by commercial banks in their lending activities beyond project finance. In effect, the EP issue-based field could act as a catalyst, facilitating the creation of other, parallel, issue-based fields around further key social and environmental issues impacting the commercial banking sector. For example, the issues of human rights and climate change have both become important topics that frequently dominate project finance/EP as well as broader commercial lending due diligence processes. This has resulted in efforts to better acknowledge and clarify the EPs' role with respect to both of these issues in the recently released third version of the EP - EP III - along with the emergence of individual human rights and climate change policies for broader commercial lending activities. Future research could explore the role of the EP issue-based field, in 'facilitating' the development of a human rights issue-based field, or a climate change issue-based field, existing alongside the existing EP issue-based field. It would be intriguing to uncover the process through which the structuration of these potential parallel fields draw on the existing EP issue-based field, and how they evolve and relate to the existing mature project finance field and broader mature commercial bank field.

Given that we have focused on examining field-level processes, we have not afforded detailed attention to the micro-level practices that evolved within individual banks, in particular how their internal accounting and external reporting processes were developed as the EP issue-based field evolved. Future work should pay more explicit attention to the institutionalization processes at the organizational level in order to better explain and understand these processes. This call is consistent with Greenwood, Hinings, and Whetten's (2014) recent request for more studies examining how field-level change influences actual organizational behavior and related change. In particular, we need to know more about the extent to which, and the processes underpinning how, the competing institutional logics we observed in this case were actually assimilated at the organizational level (see, for example, Lee & Lounsbury, 2015). Moreover, studies conducting comparative analyses of the nature and extent of change within commercial banks' project finance credit risk analysis should help us to better understand the possibly heterogeneous responses of individual banks to the introduction of the EP, and the factors that account for any potential differences.

While this paper privileges the perspectives of Equator Principles Financial Institutions (EPFIs) and NGOs, given their overriding influence on the process studied, it pays less attention to the perspectives of wider Equator Principles stakeholders such as affected communities, project finance clients, consultants, lawyers, and socially responsible investors. Researchers also need to seek out broader Equator Principles stakeholder perspectives on their experiences of the evolution of the EP, and EP issue-based field structuration subsequent to 2008, especially those of EPFI clients. Finally, we are conscious of the fact that the Equator Principles apply to a small proportion of overall commercial bank lending activities and that, while we have argued that they have had some positive influence on EPFI social accountability, in the aftermath of the global financial crisis, the issue of financial institution social accountability has taken on even greater significance. Future studies could therefore explore the implications of the crisis for both current and future regulatory or policy developments impacting on financial institution social accountability.

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Table 1: Non-Governmental Organization (NGO) Interviewees

Name of NGO	Position of interviewee	Location of Interview	Date	Interview Duration
International Rivers Network (IRN)	Policy Analyst	Sussex, U.K.	11/06/2006	60 minutes
Friends of the Earth (FoE), US	Program Manager, Green Investments Project	Sussex, U.K.	11/06/2006	65 minutes
Rainforest Action Network (RAN)*	Former Director, Global Finance Campaign	Sussex, U.K	11/06/2006	60 minutes
Friends of the Earth (FoE), Amazonia*	Former Manager, Eco-Finance Project	London	12/06/2006	60 minutes
Platform	Researcher	London	13/06/2006	75 minutes
Berne Declaration	Head, Private Finance Programme	Zurich	12/07/2006	90 minutes
Campagna per la Riforma della Banca Mondiale (CRBM)	Co-ordinator	Amsterdam	03/10/2006	60 minutes
WWF – UK*	Former Global Policy Advisor	Telephone interview	09/10/2006	60 minutes
Friends of the Earth (FoE) Europe/International (formerly FoE Netherlands/Milieudefensie**)	Coordinator, Corporate Campaign FoE International and FoE Europe	Telephone interview	04/12/2006	60 minutes
BankTrack	Coordinator	Utrecht, Netherlands	11/01/2008	103 minutes

Key:

* These interviewees had moved to new organizations following their interviews or after they had been approached for interview. However, they indicated that the views expressed were representative of their experiences with the BankTrack member organizations in question.

** Head of *International Campaign on Globalisation and Environmental Issues* at FoE Netherlands (Milieudefensie). This interviewee was involved in the drafting of the Collevecchio Declaration.

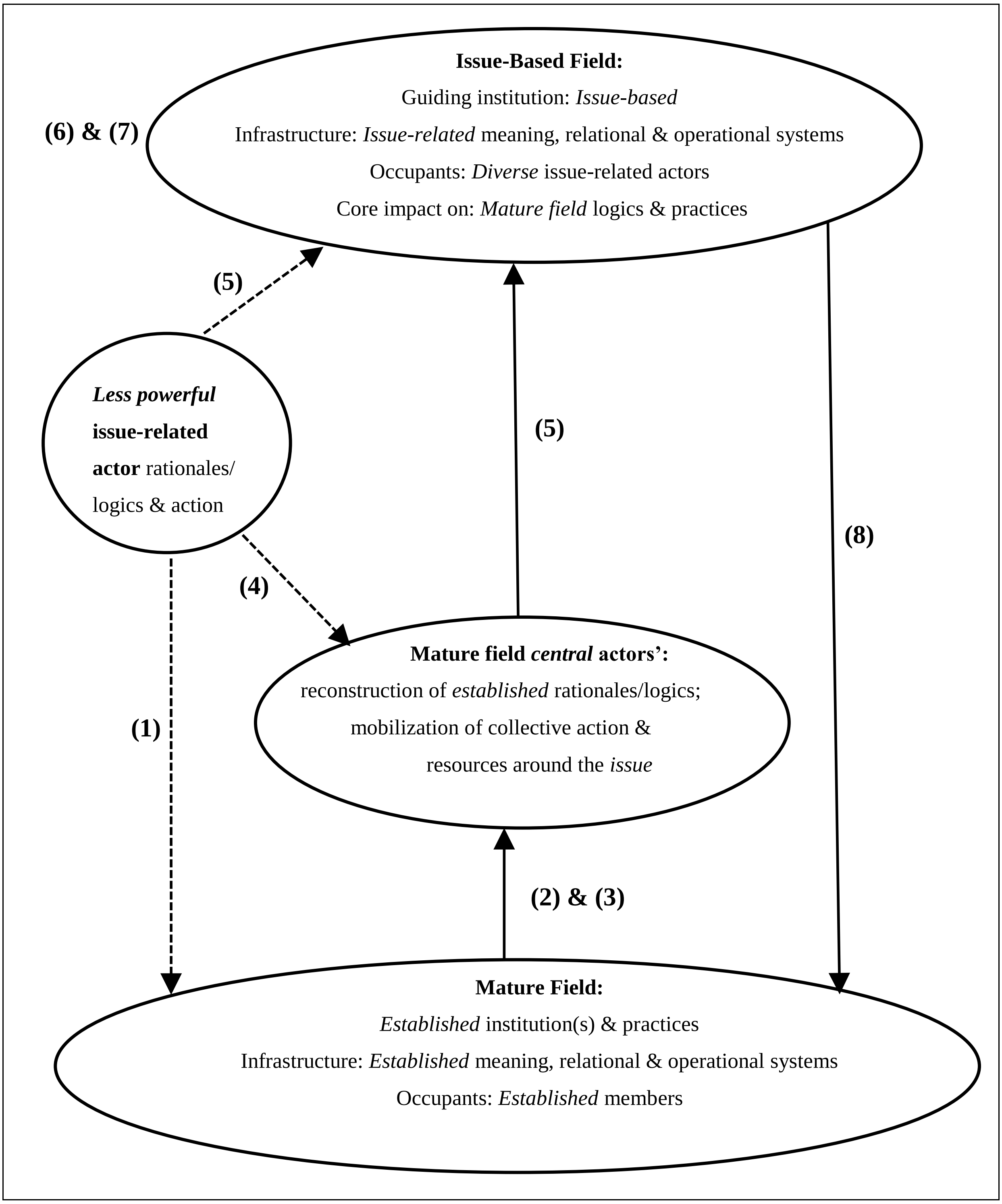
Table 2: Equator Principles Financial Institution (EPFI) Interviewees

EPFI designation	Position held by interviewee	Location of Interview	Date	Interview Duration
Dutch EPFI 1* Interviewee 1	Former Head of Sustainable Risk Management	Amsterdam	22/05/2007	105 minutes
Australian EPFI	Chief Operating Officer	London	29/05/2007	75 minutes
Dutch EPFI 1 Interviewee 2	Head of Sustainability Worldwide	London Follow up phone call	29/05/2007 07/09/2007	64 minutes 64 minutes
UK EPFI 3	Head of Group Policy & Risk Reporting	London	30/05/2007	78 minutes
UK EPFI 2	Senior Manager, Sustainability Risk Management	London	17/09/2007	82 minutes
UK EPFI 1 Interviewee 1	Head, Environmental Risk Management	London Follow up phone call	19/09/2007 19/06/2009	98 minutes 60 minutes
Dutch EPFI 1 Interviewee 3	Executive Director	Amsterdam	25/09/2007	92 minutes
Dutch EPFI 1 Interviewee 4	Head, Sustainable Risk Management	Amsterdam	28/09/2007	51 minutes
South African EPFI	Head, Governance & Sustainability	Telephone Interview	11/12/2007	57 minutes
US EPFI	Director, Environmental & Social Risk Management	Telephone Interview	19/12/2007	42 minutes
French EPFI Interviewee 1 French EPFI Interviewee 2	Head, Environmental Team, Capital Raising & Financing Secretariat, Sustainable Development Group	Paris	15/01/2008	52 minutes
Dutch/Belgian EPFI Interviewee 1 Dutch/Belgian EPFI Interviewee 2	Head, Environmental & Social Unit, Business Development Section Senior Risk Analyst, Environmental & Social Unit	Rotterdam	18/01/2008	61 minutes
Dutch EPFI 2	Advisor, Environmental & Social Risk Management Policy	Amsterdam	13/02/2008	61 minutes
UK EPFI 1 Interviewee 2	Associate Director, Investment Banking Division: Mining & Metals Team	London Follow up phone calls	28/04/2008 25/11/2008 26/11/2008	76 minutes 60 minutes 38 minutes

Key:

* Numbers included beside the Equator Principles Financial Institution (EPFI) organizational names (e.g. UK EPFI 1, 2, 3) sequence the date the particular Equator Principles Financial Institution adopted the EP and not the sequence in which the interviewees were interviewed.

Figure 1: An issue-based field structuration process



Key to Figure 1:

Arrows:

- The complete arrow lines signify *on-going* direct and powerful influence.
- The dotted arrow lines signify *fluctuating* levels of direct and/or less powerful influence over time.
- The direction of an arrow indicates the direction in which influence flows.

Numbers:

1. New ‘issue of concern’ arising from external movement outside the mature field (‘less powerful issue-related actors’) and impacting on the mature field.
2. ‘Mature field central actors’ assimilate the ‘issue-logic’ underpinning the ‘issue of concern’ into the established rationales/logic(s) of the mature field.
3. Mature field central actors mobilize collective resources and action around the ‘issue of concern’ using the existing mature field networks and channels. This occurs simultaneously with 2. above.
4. Continual interpretive struggles occur around the ‘issue of concern’ between the mature field central actors and less-powerful issue-related actors.
5. The combination of 2, 3, and 4 above initiates the issue-based field structuration process which is underpinned by the establishment of a new issue-related institution by mature field central actors and an evolution in supporting practices. The emerging issue-based field is initially subordinate to the mature field.
6. Intensification of formal and informal interactions between disparate powerful and less-powerful issue-related actors around the ‘issue of concern’. Competing logics/rationales and the level of change the new issue-based institution is instigating are key sources of tension arising *within the evolving issue-based field.*
7. Increased formalisation of the issue-based field institutional infrastructure as the issue-related institution is diffused throughout the issue-based field. Mature field central actors largely control the progression of the issue-based institution and practices through, *inter alia*, formalised issue-coalitions or associations. Less powerful issue-related actors exert some influence over these associations and practices, albeit on a fluctuating basis.
8. The issue-based field becomes less subordinate to the mature field and iteratively influences mature field logics and practices in an ongoing manner. However, despite escalating mutual awareness and respect between mature field central actors and less-powerful issue-related actors, enduring differences surrounding the rationales/logics underpinning the issue, the issue-related institution, and the underlying practices may prevent more substantive change occurring *in the mature field.*

Appendix I: List of Acroynms

CSR	Corporate Social Responsibility
CRBM	Campagna per la Riforma della Banca Mondiale
EP	Equator Principles
EPFI	Equator Principles Financial Institution
E&S	Environmental and Social
FI	Financial Institution
FOE	Friends of the Earth
IFC	International Finance Corporation
IRN	International Rivers Network
NGO	Non-Governmental Organization
OECD	Organization for Economic Cooperation and Development
RAN	Rainforest Action Network
SPE	Special Purpose Entity
WWF	World Wildlife Fund

Appendix II: The Differences between EP I and EP II

Issue	Equator Principles I	Equator Principles II
Eligible Parties	Equator Banks	Equator Principles Financial Institutions (EPFIs)
Financial Threshold	$50M US	$10M US
Object of Assessment (Principle 1)	Projects only	Projects plus expansions and upgrades of projects if the environmental and social impact of the expansion or upgrade is significant.
Scope of Activities (Principle 1)	Lending	Lending plus advisory activities.
Scope of Assessment (For category A and B projects) **(Principle 1& 2)**	Environmental assessment (EA) only.	Environmental assessment plus social assessment (SEA).
Streamlining Assessment (Principle 3)	No requirement.	Adopts a streamlined approach to assessment of environmental and social impacts to principally High-Income OECD countries, where high standards for assessing environmental and social impacts and IFC performance standards and EHS Guidelines exist.
Action Plan and Management System (Principle 4)	Environmental Management Plan (EMP) for A and where appropriate B projects.	Action Plan (AP) and Management System for A and B projects.
Consultation (For category A and where appropriate category B projects) **(Principle 5)**	In a structured and culturally appropriate way with project affected groups. Aim for broad community support for projects. EA and EMP to take account of consultations.	In a structured and culturally appropriate way with project affected communities. Prior informed consultation (not prior informed consent) for projects with significant adverse impacts. Consultation process and results to be documented in AP.
Grievance Procedures (Principle 6)	No requirement.	New requirement for borrower to establish grievance procedure for project affected communities throughout the project life cycle
Independent Expert Review (Principle 7)	EA, EMP and consultation for category A projects.	SEA and AP compliance and consultation for category A and where appropriate category B.
Legal Compliance Covenants (Principle 8)	No requirement.	New requirement for borrower to comply with local, state and host country environmental and social laws, regulations and permits in all material respects.
Action Plan Compliance Covenant (Principle 4 & 8)	Borrower to comply with EMP.	Borrower to comply with AP (where applicable) in all material respects.
Reporting Compliance Covenant (Principle 8)	Borrower to provide regular reports on compliance with EMP.	Borrower to provide regular reports of compliance with AP and host country laws, regulations and permits.
Decommissioning Covenant (Principle 8)	Borrower to decommission facilities in accordance with decommissioning Plan, where applicable.	Same as EP I.
Remedial Steps to Remedy Covenant Breach (Principle 8)	Lender to engage with borrower to remedy non-compliance with covenants if borrower in default.	EPFI reserves rights to exercise remedies for non-compliance or default; and discretion to work with borrower re covenant compliance.
Appointment of Independent Expert (Principle 9)	Lender discretion to appoint independent environmental expert to provide additional monitoring and reporting services.	EPFI to require appointment of independent environmental and/or social expert, or borrower to retain qualified and experienced external experts to verify its monitoring information for EPFIs over life of loan.
Annual Reporting Obligations (Principle 10)	No requirement.	New requirement for at least annual reporting by EPFI

Appendix III: Sample of Initial Interview Analysis Coding (1)

Code Type	Code Name	Explanation
Core codes	**ACC**	Accountability
	CD	Collevecchio Declaration
	EP I	Equator Principles I
	EP II	Equator Principles II
	EPFI	Equator Principles Financial Institution
	FI-NGO REL	Financial institution-non governmental organization relationships
	HIS	History/background/interviewee role & responsibilities
	INS	Institutional (theory)
	LEG	Legitimacy
	OC	Organizational change
	PF	Project finance
	RM	Risk management
	STK	Stakeholder (originally referring to NGOs)
	VOL	Voluntary (versus regulation)
Sample of sub-codes	**(For) ACC**	**Accountability**
	ACC/CC	Commercial confidentiality
	ACC/DEF	Definitions (overlap with ACC/EPFI & ACC/NGO).
	ACC/EPFI	EPFI opinions on (EP) accountability (overlap with EP/ACC).
	ACC/L	Leaders
	ACC/NGO	NGO opinions on (EP) accountability (overlap with EP/ACC).
	ACC/MON	Monitor (as opposed to "felt responsibility").
	ACC/RES	Responsibility
	ACC/TRANS/DIS	Transparency, Disclosure
	(For) PF	**Project finance**
	BPF	Beyond project finance
	PFM	Project finance market (pressures/influence, overlap with EP/PF later).
	(For) EP	**Equator Principles (I & II)**
	EP/ACC	Accountability
	EP/AD	Adoption (objectives etc.).
	EP/BEN	Benefits
	EP/CAT	Catalyst (overlap with BPF).
	EP/GOV	Governance (re structural requirements of the Principles & EPFI network/members).
	EP/IMP	Implementation (guidelines, policies, training, "departments", structural changes, actors, *internal* implementation audits etc.).
	EP/PF	Project finance market (link PFM) & process (internal EPFI PF stages & EP integration; lawyer & external consultant assistance; client implementation & assessments etc.
	EP/R	Revision of EP I.
	EP/S	Scope (re design for 'just project finance' etc.).
	EP/STR	Structure (requirements, some overlap with EP/S & EP/ACC).

Appendix III: Sample of Initial Interview Analysis Coding (2)

	Code name	Explanation
Sample of Sub-codes (continued)	**(For) EPFI**	**Equator Principles Financial Institutions**
	EPFI/C	Clients (interaction/relationships, overlap with AG).
	EPFI/Con	Consultants (interaction/relationships, overlap with AG).
	EPFI/LW	Lawyers (interaction/relationships, overlap with AG)
	(For) OC	**Organizational Change**
	OC/AG	Agents/champions.
	OC/CUL	Culture (re EPFIs)
	OC/STR	Structure (re EPFIs, merged into e.g. EP/IMP, EP/BEN later).
	OC/BAR	Barriers (overlap with OC/CUL and merged into e.g. ACC/CC later).
	(For) RM	**Risk Management**
	RM/BUS	Business case (for EPFIs).
	RM/C	Core risk management (i.e. credit, as opposed to just E&S).
	RM/Com	Competition (between EPFIs)
	RM/E&S/EP	E&S risk management & relationship with EP.
	(For) STK	**Stakeholders**
	STK/AD	Advocacy (NGO campaigns).
	STK/CC	Campaign changes
	STK/E	Engagement
	STK/R/P	Role & power
	STK/RD	Reputational damage