



Independent
Project
Accountability
Mechanism

MAP Monitoring Report V
Monitoring Period: July– December 2021

Southeast Europe Equity Fund II Project
EBRD Project Number 34894
Case 2017/05

February 2022

Note: This case was received under the Project Complaint Mechanism (PCM) - the former accountability mechanism of the EBRD - in accordance with the [2014 PCM Rules of Procedure](#) and the Monitoring stage was initially conducted under PCM Rules and Procedures.

Effective 1 July 2020, the Project Complaint Mechanism was replaced with the [Independent Project Accountability Mechanism](#), brought into effect through the [2019 Project Accountability Policy](#). Under the Policy's provisions for case transition, monitoring of the Southeast Europe Equity Fund Management Action Plan from the date above is now undertaken in alignment with the requirements of the [2019 Project Accountability Policy](#).

IPAM is the independent accountability mechanism of the EBRD. It reviews environmental, social, and Project disclosure-related concerns raised by Project-affected people and civil society organisations. IPAM can address concerns through two avenues: i) Problem-solving, which supports dialogue between Complainants and Clients to resolve environmental, social and public disclosure concerns without attributing blame or fault; or ii) Compliance Reviews, which determine whether the EBRD has complied with its Environmental and Social Policy and Access to Information Policy in relation to the Project.

For more information about IPAM, please contact us at ipam@ebrd.com or visit the [IPAM webpage](#).


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Unless otherwise indicated capitalised terms used in this report are those as set forth in the 2019 Project Accountability Policy.

List of Abbreviations

Abbreviation	Long Form
BCM	Bedminster Capital Management, G.P., LLC (the initial Fund Manager)
EP	Environmental Policy 2003
ESD	EBRD's Environment and Sustainability Department
ESP	Environmental and Social policy
FI	Financial intermediaries
IPAM	Independent Project Accountability Mechanism
MAP	Management Action Plan
PCM	Project Complaint Mechanism
Policy	2019 Project Accountability Policy
PR	Performance Requirement
SEEF (the "Fund")	Southeast Europe Equity Fund (the Project)

1 Introduction

This Monitoring Report provides an update on progress made in the implementation of the Management Action Plan related to Case 2017/05 [Southeast Europe Equity Fund II](#). Whenever status of pending actions has not changed during the monitoring period reported this document only includes the table with pending actions and their status to date.

2 Monitoring Update

2.1 Monitoring Activities during the period June 2021 – December 2021

IPAM tracks progress on MAP implementation until it has determined that all actions have been completed as agreed; or whenever conditions for completing pending actions no longer exist.

In preparation of this Monitoring Report, IPAM requested written confirmation (and associated documentation) from Bank Management on its MAP progress.

2.2 Monitoring Findings

As reported at the end of the last monitoring period, there was one outstanding action (action 2.ii.) for Management to complete which, as per Bank Management progress, remains outstanding at the end of December 2021.

Proposed Management Action 2.ii - “2019 PR9 Guidance: A Guidance Note will be finalised by June 2020 for the implementation of ESP PR9, applicable to all new FI Projects approved after January 2020 including funds, where the principle of Continuous Risk Improvement will be a mandatory element of any Environmental and Social Management System established for a Bank Project.”

In the previous monitoring period, the draft of the PR9 Guidance note was under review by the ESD and Bank Management committed to have a final version by end of December 2021. However, IPAM received no updates on the matter.

Table 1 provides details on pending actions, Management response and IPAM’s conclusions.

Table 1: MAP Implementation Progress

Management Action Plan Commitment Approved by the EBRD Board of Directors	EBRD Management Action Plan Commitment	EBRD Management Implementation Update	Status of Management Action Plan Commitment	IPAM Feedback
Procedural / Systemic Recommendations and Management Actions				
<p>Action 2: Include elements of Continuous Risk Improvement in the Environmental and Social Management Plans under which Funds operate, in order to recognise and encourage the development of a 'dynamic' approach to environmental risk management. These requirements are to be featured in:</p> <ul style="list-style-type: none"> i. the 2019 ESP (completed during the previous monitoring term); and ii. the 2019 ESP PR9 Guidance. 	<p>2019 PR9 Guidance: A Guidance Note will be finalised by June 2020 for the implementation of ESP PR9, applicable to all new FI Projects approved after January 2020 including funds, where the principle of Continuous Risk Improvement will be a mandatory element of any Environmental and Social Management System established for a Bank Project.</p>	<p>No update received from Management.</p>	<p>Action 2, ii remains pending.</p>	<p>IPAM notes that during the previous monitoring period ESP PR9 Guidance Note draft was under review process by ESD with December 2021 being an expected date for its publishing and approval.</p> <p>No further updates have been received regarding this matter in the current monitoring period.</p> <p>Completion of the outstanding point will be determined once IPAM receives the final version of the note.</p>

2.3 Monitoring Conclusions

During this period, Management Action 2.ii remains outstanding.

IPAM shall continue to monitor the implementation of Action 2.ii and update on progress in the sixth monitoring report scheduled for July 2022. If the action is completed earlier, IPAM commits to issuing the completion report before the scheduled date.