



Independent  
Project  
Accountability  
Mechanism

## MAP Monitoring Report II

Monitoring Period: August – December 2020

Lukoil Shah Deniz Stage II Project

EBRD Project Number 46766

Case 2017/07


March 2021

**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 Lukoil Shah Deniz Stage II Management Action Plan from the date above is 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](mailto: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 IPAM Project Accountability Policy.*

## List of Abbreviations

Abbreviation	Long Form
ESD	Environmental and Social Department of the European Bank for Reconstruction and Development
GR	General recommendation
IPAM	Independent Project Accountability Mechanism
MA	Management Action
MAP	Management Action Plan
PCM	Project Complaint Mechanism
PIP	Public Information Policy
PSR	Project specific recommendation

## 1 Introduction

This Monitoring Report provides an update on progress made in the implementation of the Management Action Plan related to Case 2017/07 Lukoil Shah Deniz Stage II. In case no progress has been made, the Report only includes a table with pending actions

## 2 Monitoring Update

### 2.1 Monitoring Activities during the period August 2020 — December 2020

IPAM tracks progress on MAP implementation until it is determined that all Actions have been completed as agreed, in accordance with the 2014 PCM Rules of Procedure.

In preparation of this Monitoring Report, IPAM requested written confirmation (and associated documentation) from Bank Management on its MAP progress. The Mechanism carefully reviewed Management's submissions and associated documentation.

### 2.2 Monitoring Findings

In the last [Monitoring Report covering June 2019 – July 2020](#), IPAM closed the period with three actions still outstanding: Actions 1, 2 and 3.

On January 2021, Bank Management reported the following:

Work on the Guidance Notes is ongoing and is included in the departmental work plan for 2021. The original schedule has been delayed due to constraints imposed by the Covid-19 pandemic. Currently EBRD Management plans to engage an external consultant to assist on the PR10 GN with negotiations on this still ongoing.

Thus, no progress can be reported regarding the three pending actions, which involved the drafting of ESP Guidance Notes on PR4 and PR10.

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

2.3 Table 1: MAP Implementation Progress

Management Action Plan Commitment approved by EBRD Board of Directors	EBRD Management implementation update (Jan 2021)	Status of Management Action Plan Commitment	IPAM Feedback
<b>Procedural / Systemic Management Actions</b>			
<b>Management Action 1.:</b> Assess and consider PCM Expert recommendations as part of the broader review of the ESP Guidance Notes, following the approval of the 2019 ESP. PCM Expert recommendations relate to accessible, culturally-appropriate information disclosure; meaningful engagement; requirements for Public Consultation and Disclosure Plans; and the development and implementation of Stakeholder Engagement Plans in line with good international practice. The development of a new Guidance Note on the implementation of PR10 - which considers the concept of meaningful consultation is planned.	Items raised in GR4, GR5, GR6 and GR8 relate to PR10 and it is planned to develop a new external Guidance Note (GN) for PR10. While work on the PR10 GN is ongoing and is included in the Departmental work plan for 2021 the original schedule has been delayed due to constraints imposed by the Covid pandemic. Currently we plan to engage an external consultant to assist on the PR10 GN and negotiations are ongoing regarding budget for this task.	<b>Incomplete - continued monitoring required.</b>	No progress reported during Monitoring Period.  Estimated completion date of Q4-2020 or Q1-2021 not met.
<b>Management Action 2:</b> Assess and consider PCM Expert recommendations relating to vulnerable peoples as part of the broader review of the ESP Guidance Notes for each ESP Performance Requirement, following the approval of the 2019 ESP.	Items raised in GR7 relate to PR10 and it is planned to develop a new external Guidance Note (GN) for PR10. While work on the PR10 GN is ongoing and this work is included in the Departmental work plan for 2021 the original schedule for completion has been delayed due to constraints imposed by the Covid pandemic. Currently Management plan to engage an external consultant to assist on the PR10 GN and negotiations are ongoing regarding budget for this task.	<b>Incomplete - continued monitoring required.</b>	No progress reported during Monitoring Period.  Estimated completion date of Q4-2020 or Q1-2021 not met.
<b>Management Action 3:</b> Assess the need for further guidance on Project-level grievance mechanisms, which considers the PCM Expert's recommendations, in the context of the broader review of ESP Guidance Notes for each ESP Performance Requirement, following the approval of the 2019 ESP.	It has been determined that new Guidance Notes for PR 4 and PR 10 will be prepared. While work on these GNs is ongoing and included in the Departmental work plan for 2021, the original schedule for completion has been delayed due to constraints posed by the Covid-19 pandemic. Currently Management plans to engage external consultants to assist on the preparation of these two GNs with negotiations on this ongoing.	<b>Incomplete - continued monitoring required.</b>	No progress reported during Monitoring Period.  Estimated completion date of Q4-2020 or Q1-2021 not met.