

## Social and Environmental Screening Template (2021 SESP Template, Version 1)

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document at the design stage. Note: this template will be converted into an online tool. The online version will guide users through the process and will embed relevant guidance.

### Project Information

<b>Project Information</b>	
1. Project Title	Insurance and Risk Finance Facility
2. Project Number (i.e. Atlas project ID, PIMS+)	00124347
3. Location (Global/Region/Country)	Global with Country Output
4. Project stage (Design or Implementation)	Implementation
5. Date	April 2024

### Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

#### QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?

##### **Briefly describe in the space below how the project mainstreams the human rights-based approach**

The Insurance and Risk Finance Facility (IRFF) has a focus on using risk transfer to protect, sustain and incentivise development, with a strong focus on doing this in a world of rising risk, hazard and shock (of many kinds) noting that insurance and risk transfer remain as yet largely untapped tools to fight poverty, build resilience and safeguard development. As indicated in the project document, a set of 6 key SDGs are identified as core to the work of insurance/risk finance, with another seven as additionally important.

All of the programming of the project apply the core principles of human rights, gender equality, sustainability and resilience, from the strategic level to the project level. For example a key global target to which this project will contribute is the [Vision 2025](#) commitment to increase the beneficiaries of insurance by 500 million most vulnerable people by 2025, a shared vision which is being reworked in light of the context of the world right now. At the country and project level a whole range of sectors and target groups are relevant to the IRFF, which increasingly covers areas as diverse as small business and agriculture, public assets and family lives, fragile contexts and incentivisation of growth and development.

The project at the country level will be heavily dependent on stakeholder engagement, managed by UNDP Country Offices, while globally it will be integrated into critical global governance systems for insurance and development, such as the Insurance Development Forum and the InsuResilience Global Partnership, elements of the insurance/development ecosystem that UNDP has itself formed in the last ten years, and often leads. Through these engagements, through partnerships with the insurance industry (noting that the IRFF already has the most robust partnership with industry of the multilateral system) and through internal partnerships across UNDP's diverse technical support to governments, the IRFF's work will be fully aligned with human rights norms and standards, while representing the views of its partners and stakeholders

##### **Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment**

Gender commitment : All the IRFF's financing and activities have a potential impact on and are influenced by the gender equality and women's empowerment context in which they are implemented. For instance, there are distinct gender-based patterns in economic participation and the ways individuals rely on natural capital for their livelihoods. Evidence also suggests that women can be more vulnerable to disasters than men based on their gender. Yet there is sometimes also a lack of a gender-dimension within insurance mechanisms. Risk financing solutions - including their budgeting, design, and pay-out elements - may not account for gender dimensions of vulnerability. These issues

remain intractable not only at country level, but also regionally and globally. Considering this, the IRFF has made a specific commitment to gender, which can be found [here](#). The IRFF's gender approach is built on fostering structural transformation, leaving no one behind and building resilience, and it is considered in all work, from origination to delivery and monitoring of impact.. To that end, the IRFF commits to recognizing the gender impacts and dimensions of:

- Each of the IRFF workstreams and each of the IRFF cross-cutting activities
- The choices determining the allocation of capital and supporting processes within all the IRFF funding programmes (discussed below). For example, the investment and grant making process for the Challenge Fund can and will incorporate gender criteria within the investment due diligence and decision-making process, ensure a gender balance of the investment committee composition, and provide gender-related technical assistance to challenge fund recipients, and require gender and sex-disaggregated data within reporting requirements.
- The operations and products and services and supply chains of IRFF in partnership with the private sector within the Tripartite Agreement. For example, the gender impacts of private sector partners that occur through their leadership and governance and workforce, operations and products and services. This includes their institutional gender policies, practices, and performance. It also includes addressing the gender, as well as other environmental, social and governance related impacts of their insurance sector investments and assets under management. Additionally, the IRFF commits to recognizing that:
  - There are country-specific gender constraints, and enablers across all IRFF programming. These naturally vary by country but may include: women's property and land asset ownership, customary law, inheritance, and access to foundational and functional identification documents to meet customer due diligence requirements for a bank account and insurance, and purchase a mobile sim card; and
  - Sex-disaggregated and gender data is essential to measuring results and the impact of the IRFF. For example, tracking the number of female and male beneficiaries of inclusive insurance.

The Insurance and Risk Finance Facility recognises that it operates in a context where various gender assumptions apply:

- Disaster and climate change risks and impacts can differ due to existing gender inequalities caused by unequal power relations and structures, discriminatory laws and customs, and unequal access to and control over resources.
- There are gender-differential vulnerabilities and exposure to hazards. This vulnerability and exposure can vary based on various and overlapping aspects of an individual's identity and not just their gender such as their economic status, ethnicity, age or the geography where they live, with implications for their climate and disaster risk profile and their access to power, resources and decision making.
- Women's and men's risk financing and insurance needs can vary according to ethnicity, life-stage, religion, age, class and other identifying attributes.
- Women and men can be differentially impacted by, and engaged in, diverse insurance and risk financing solutions including sovereign instruments and insurance products.
- All risk financing and insurance policies and instruments have the potential to integrate gender considerations.
- Integrating gender considerations is not about an exclusive focus on women at the exclusion of men, but it can lead to a specific emphasis on women due to historical discrimination.
- Gender-smart risk financing and insurance solutions can provide risk protection that addresses differences in women and men's vulnerability and exposure to hazards based on gender and incorporate resilience building approaches to overcome the resulting risks and impacts.

### **Briefly describe in the space below how the project mainstreams sustainability and resilience**

UNDP's vision for its Insurance and Risk Finance Facility is to work with governments, private sector and development partners to develop and implement innovative, scalable insurance solutions to contribute to tackling risk, building financial resilience and combatting both vulnerability and long-term poverty. The collaborative approach with partners ensures that interventions are consultative and needs-based, responding to priorities, particularly of the governments, and upholding local ownership and institutionalization of the outputs.

UNDP's plan is to increasingly use its engagement with the insurance industry (private, mutual and cooperative) to find innovative, scalable solutions that help countries tackle the intertwined challenges of poverty, vulnerability and risk. To deliver on this vision, all of the Facility's work at the country level will include both the development and deployment of specific insurance/risk transfer tools and products with partners. These tools and products will be relevant to partner countries and communities, with investment in long-term market transformation. This work therefore cuts across both supply and demand of insurance, with work in legislation, regulatory and institutional capacity development, matched by investment in advocacy, training and education. UNDP's work also includes work with the investment side of the industry, looking to develop financial solutions that address both risk transfer and resilience investment, with advocacy and policy work to further mobilize the USD 33 trillion under management towards sustainable development.

In summary, UNDP's work in this space balances financial protection right now with the development of long-term enabling environments for financial protection and incentivised protected development, well into the future.

**Briefly describe in the space below how the project strengthens accountability to stakeholders**

*Critical stakeholders and target groups are varied, depending on the aspects of the Facility's operation. For example, at the global level will be UNDP's delivery partners within the Insurance Development Forum, InsuResilience Solutions Fund, ICMIF (ICMIF Foundation) and more, as well as key governments. The IRFF also has programmatic partnerships with 20 of the world's largest insurers such as Swiss Re, Guy Carpenter and Axa, and increasingly more at the country level, national insurers. The IRFF, often a part of governance and leadership structures globally, ensures at all times that it works closely with and is accountable to the stakeholders with whom it partners. At the country level implementation partners will obviously be key stakeholders. Within government, much of the work will be undertaken directly with Ministries of Economy or Finance, Ministries of Agriculture, and with specialized bodies such as insurance regulators. Other key partners will be distributors of insurance at the country level such as national private sector, credit unions and micro-finance institutions. Insurance industry partners are also critical in each country, with joined up UNDP/industry country teams common across the IRFF portfolio. And finally, beneficiary populations will certainly be critical, with dedicated finances set aside not only for enabling environment work but also for the development and deployment of insurance tools and products together with partners – each of these will be tailored directly to the context of beneficiary populations. These stakeholder groups and partnerships will be actively managed. At the global level this will be through the critical fora that UNDP co-leads, and this will be mirrored in each region. At the country level, in countries which will receive financing as part of the Facility's operations, dedicated resources are set aside for convening, bringing together stakeholders both in the areas of insurance development and risk finance. Steering and oversight structures (ex. Steering Committees, Working Groups) co-chaired with government partners are set up to provide regular reviews of implementation progress, discuss emerging issues and address them in a strategic and timely manner. Increasingly projects are originated at the country level, demanding flexibility and adaptability within UNDP and the IRFF to best tailor work with an increasingly complex set of stakeholders.*

**Part B. Identifying and Managing Social and Environmental Risks**

<b>QUESTION 2: What are the Potential Social and Environmental Risks?</b> <i>Note: Complete SESP Attachment 1 before responding to Question 2.</i>	<b>QUESTION 3: What is the level of significance of the potential social and environmental risks?</b> <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 5</i>			<b>QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High</b>
<b>Risk Description (broken down by event, cause, impact)</b>	<b>Impact and Likelihood (1-5)</b>	<b>Significance (Low, Moderate, Substantial, High)</b>	<b>Comments (optional)</b>	<b>Description of assessment and management measures for risks rated as Moderate, Substantial or High</b>
Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project?	I = 3 L = 1	<b>Low</b>		The entire working structure of the Facility is built upon a stakeholder and partnership model. The duty-bearers for the project include UNDP personnel, the insurance industry, governments, and implementation and other partners. Every workstream (and all activities within each workstream) will have a strong legislative, regulatory, and institutional capacity component to ensure that these duty-bearers have the necessary capacity. IRFF will build the capacity of its national project staff, who shall engage with governments (with the support of their Country Offices). This will be supplemented by

				a stakeholder plan at country level where human rights issues will be uniformly included. Meanwhile, the global technical team shall oversee the delivery from implementation partners and consultants.
Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights?	I = 3 L = 2	<b>Moderate</b>		Several critical workstreams in particular will be built primarily on engagement with key beneficiary communities, especially on the resilient households, businesses and foodsystems and resilient nature areas. The implementation of these workstreams' activities will include working with governments and insurers to provide responsible, human-centric solutions. They should strive to take payout times, and coverage and entitlements into account as well as foster recourse mechanisms and monitor and evaluate all interventions. The UNDP will also support public institutions to design transparent and efficient tender mechanisms that will include considerations on inclusivity, engagement with final beneficiaries and ease of access to benefits. Furthermore, delivery of insurance development products shall be in partnership with the mutual/cooperative sector of industry which is not only member-driven but also member owned. Furthermore, the IRFF conducts due diligence assessments on potential private partners to ensure that insurance solutions are not developed with companies with human rights violations.
Would the project potentially involve or lead to outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters?	I = 3 L = 2	<b>Moderate</b>		The cost of insurance and reinsurance policies, such as property cat reinsurance, are influenced by the rising frequency of losses from natural hazards (among other causes). The impact is highly unlikely to be the uniform across countries and in general, IRFF activities proactively try to provide solutions at the macro, meso and micro levels towards climate change adaptation. As the IRFF's work is significantly diverse, work can proceed in another sector/country, as dictated by country conditions. Interventions are being linked to risk reduction activities. The recent tool on loss reduction for SMEs is an example of how insurance can be added to other interventions to support lower risks.
Would the project potentially involve or lead to: activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	I = 3 L = 1	<b>Low</b>		This is quite possible and indeed likely in the resilient nature /resilient countries and communities workstream of the Project Facility. However, in this case, the work will not be just sensitive to environmentally sensitive issues, it will consist of initiatives that actively protect these key natural capital features, such as forest, reefs, mangroves.

Would the project potentially involve or lead to areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions?	I = 1 L = 3	<b>Low</b>		The project consists of initiatives that in some cases may aim to protect against hazards such as floods, earthquakes, severe winds, storm surges etc..
<b>QUESTION 4: What is the overall project risk categorization?</b>				
<b>Low Risk</b> <input type="checkbox"/>				
<b>Moderate Risk</b> <input checked="" type="checkbox"/>				
<b>Substantial Risk</b> <input type="checkbox"/>				
<b>High Risk</b> <input type="checkbox"/>				
<b>QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)</b>				
Question only required for Moderate, Substantial and High Risk projects				
<b><u>Is assessment required? (check if "yes")</u></b>			<b>Status? (completed, planned)</b>	
<i>if yes, indicate overall type and status</i>	<input type="checkbox"/>	Targeted assessment(s)		
	<input type="checkbox"/>	ESIA (Environmental and Social Impact Assessment)		
	<input type="checkbox"/>	SESA (Strategic Environmental and Social Assessment)		
<b><u>Are management plans required? (check if "yes")</u></b>	<input checked="" type="checkbox"/>			
<i>If yes, indicate overall type</i>	<input checked="" type="checkbox"/>	Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others)		
	<input type="checkbox"/>	ESMP (Environmental and Social Management Plan which may include range of targeted plans)		
	<input type="checkbox"/>	ESMF (Environmental and Social Management Framework)		
<b><u>Based on identified risks, which Principles/Project-level Standards triggered?</u></b>		<b>Comments (not required)</b>		
<b><u>Overarching Principle: Leave No One Behind</u></b>				
<b>Human Rights</b>	<input checked="" type="checkbox"/>			
<b>Gender Equality and Women's Empowerment</b>	<input type="checkbox"/>			
<b>Accountability</b>	<input type="checkbox"/>			

	<b>1. Biodiversity Conservation and Sustainable Natural Resource Management</b>	<input checked="" type="checkbox"/>	
	<b>2. Climate Change and Disaster Risks</b>	<input checked="" type="checkbox"/>	
	<b>3. Community Health, Safety and Security</b>	<input type="checkbox"/>	
	<b>4. Cultural Heritage</b>	<input type="checkbox"/>	
	<b>5. Displacement and Resettlement</b>	<input type="checkbox"/>	
	<b>6. Indigenous Peoples</b>	<input type="checkbox"/>	
	<b>7. Labour and Working Conditions</b>	<input type="checkbox"/>	
	<b>8. Pollution Prevention and Resource Efficiency</b>	<input type="checkbox"/>	

## Final Sign Off

*Final Screening at the design-stage is not complete until the following signatures are included*

<b>Signature</b>	<b>Date</b>	<b>Description</b>
QA Assessor		UNDP staff member responsible for the project, typically a UNDP Programme Officer. Final signature confirms they have “checked” to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have “cleared” the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.