

## Annex [#]. Social and Environmental Screening Template

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document. Please refer to the [Social and Environmental Screening Procedure](#) for guidance on how to answer the 6 questions.]

### Project Information

Project Information	
1. Project Title	Growing Green Business in Montenegro
2. Project Number	XXXX
3. Location (Global/Region/Country)	Montenegro

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

#### QUESTION 1: How Does the Project Integrate the Overarching 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 project is a direct response to the countries need for job creations on one side and urgent need of the country and global need for cutting down emissions of GHG. This intervention will reduce harmful impacts on human health and support facilitated sustainable development by increasing employment opportunities and decreasing GHG emissions. The Universal Declaration of Human Rights proclaimed by the General Assembly, contains a number of articles that are closely linked to the scope of the proposed project. These articles and the manner in which the project will ensure that the human-rights based approached is mainstreamed in the project, are the following:

**Article 3.** “Everyone has the right to life, liberty and security of person”.

The project contributes to the protection of human health and the environment by reducing the impacts caused by GHG emissions, and their harmful effects on population health.

**Article 19.** “Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers”.

The project will ensure that stakeholders impacted by, involved in and interested in the reduction of GHG emissions will be engaged in the project’s development and implementation, through national consultation mechanisms, workshops and awareness raising events to allow them to express their opinions on the project and its intended activities. Furthermore, project activities, objectives and results will be widely disseminated through various media channels throughout the project’s implementation.

**Article 23 (2)** “Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment”.

The project will set up selection criteria in a manner to contribute to achievement of above stated criteria.

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

As of 2016, women comprised just 9.6% of business owners in Montenegro, in contrast to about 30% of businesses in the EU. With the support of the International Labor Organization, the MEF conducted a Women’s Entrepreneurship Development (WED) assessment, which found that “women are not sufficiently recognized as equal players in the economic arena, which leads to a worse starting position when establishing and later during the development of their own business.” This is largely due to the fact that traditional gender roles discourage women from starting businesses; and many women are expected to stay home to care for the household and family. Building on IDF and UNDP on-going efforts, the project will target women both as beneficiaries and decision-makers in designing and implementing green business support activities. Relevant activities and indicators have been added to mainstream gender dimension in the project strategy and result framework, as described below.

**Component 1** “Policy development and business support services for green start-ups and SMEs” will seek to ensure that at least 40% of decision makers in the Ministry of Tourism and Sustainable Development that understand and recognize policy and incentive options for green businesses are women by pro-actively identifying and inviting female staff of the Ministry to take active action in relevant activities of the project. Further, women will comprise at least 20% of entrepreneurs to be trained and assisted through Green Business Incubator, which is twice as much as national average. This will be done by soliciting active participation of women through partnership with the UNDP gender programme and disseminating information about available training opportunities via the UNDP gender network in Montenegro.

**Component 2** “Green business finance” the project will provide training to implement and market green business financing mechanisms to staff of IDF and other relevant financial institutions ensuring that at least 40% of training participants are women. Further, the target has been set up to ensure that, from among final beneficiaries of performance-based payments under this component, at least 10% should be women-led SMEs, i.e. in line with the national average.

**Component 3** “Raising awareness on green business practices and financing opportunities,” advocacy and awareness raising activities will be designed in such a way as to ensure that women constitute at least 20% of entrepreneurs to be reached out. This will be ensured by a) involving a gender NGO in advocacy and awareness work of the project; b) identifying appropriate means and channels for communication and information dissemination and c) specifically highlighting and encouraging women participation in invitation letters and marketing/communications channels (web-site, social media, electronic and print media).

**Briefly describe in the space below how the Project mainstreams environmental sustainability**

The project will directly support Montenegro’s NDC to UNFCCC, which is expressed in 30 % GHG emission reduction by 2030 compared to the 1990 base year. The emission level of GHG for Montenegro from sectors covered by INDC was 5,239,000 tCO<sub>2</sub>e in 1990 and Montenegro pledges to reduce it at least by 1,572,000 tCO<sub>2</sub>e kilotons, to the level below or at 3,667,000 tCO<sub>2</sub>e. According to the NDC, the reduction is meant to be achieved by increasing energy efficiency, improving industrial technologies, increasing the share of renewables and modernizing the power sector. The National Climate Change Strategy is the main planning tool along with its action plans for the implementation of Montenegro’s INDC until 2030, the Strategy specifically refers to the need to accelerate private investment in low-carbon activities, which is also the key objective of the project.

Project’s design, in particular the selection of prioritized sectors and technologies, has been informed by the findings of the comprehensive Technology Needs Assessment (TNA) exercise conducted in Montenegro.

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

<p><b>QUESTION 2: What are the Potential Social and Environmental Risks?</b>  <i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses).</i></p>	<p><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 6</i></p>			<p><b>QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?</b></p>
<p><b>Risk Description</b></p>	<p><b>Impact and Probability (1-5)</b></p>	<p><b>Significance</b></p>	<p><b>Comments</b></p>	<p><b>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note</b></p>

		<i>(Low, Moderate, High)</i>		<i>that the assessment should consider all potential impacts and risks.</i>
1.1 Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?	I = 4 P = 1	Moderate	The project aim is to promote private sector investment in low-carbon and green businesses in Montenegro. Project will use improving access to finance for innovative green businesses and partnerships (agriculture, tourism, and energy sectors) as one of mechanism. Risks exist that some of businesses activities could have adverse impacts to habitats.	Planned activities will focus on urban area of Cetinje and its Business zone. Business zone is not situated in proximity of protected areas, but is part of urban area of municipality. In addition, manner of establishment, type of business and environmental safety guidelines is set in place for Business zones as additional safeguard and project will secure implementation of these guidelines.
1.2 Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including 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 P = 2	Moderate	Part of the project activities will be implemented in the Municipality of Cetinje. Two National parks are bordering Cetinje.	Planned activities will focus on urban area of Cetinje and its Business zone. Business zone is not situated in proximity of protected areas, but is part of urban area of municipality. In addition, manner of establishment, type of business and environmental safety guidelines is set in place for Business zones as additional safeguard and project will secure implementation of these guidelines.
1.11 Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area?	I = 3 P = 2	Moderate	Project will use improving access to finance for innovative green businesses and partnerships (agriculture, tourism, and energy sectors) as one of mechanism. It is possible that some of businesses activities could result in secondary or consequential development activities.	Overall, the project will stimulate low-emission economic growth and green job creation in Montenegro. This means that precondition for supporting initiatives or businesses will be provision of necessary assessments presenting current and future social and environmental effects.
2.2 Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	I = 3 P = 3	Moderate	Agriculture, tourism, and energy sectors tend to be sensitive to potential impacts of climate change.	Precondition for supporting initiatives or businesses will be provision of necessary assessments presenting vulnerability assessment in addition to emission calculations.
3.1 Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	I = 3 P = 1	Low	Monitoring and supervision process for construction, operation, or decommissioning is well regulated by existing legislative framework.	
3.4 Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	I = 4 P = 1	Low	Monitoring and supervision process for construction, operation, or decommissioning is well regulated by existing legislative framework. Beautiful Cetinje project is an example of the functional process.	

3.7 Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	I = 4 P = 1	Low	Monitoring and supervision process related to occupational health and safety due to physical, chemical, biological, and radiological hazards is well regulated by existing legislative framework.	
3.8 Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	I = 3 P = 2	Moderate	Project will undertake a grant scheme that will support performance-based payment mechanism supporting low-carbon projects. As main beneficiaries will be private sector actors, risk exist that practices of these potential beneficiaries are not aligned with relevant standards.	Precondition for supporting initiatives or businesses will be provision of necessary confirmation that relevant national and international labor standards are implemented by potential beneficiary.
4.1 Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	I = 1 P = 1	Low	Municipality of Cetinje, or Old Royal Capital Cetinje has cultural and historical sites of national and regional importance. However, none of planed activities is targeting any of this city locations.	
4.2 Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	I = 1 P = 1	Low	Municipality of Cetinje, or Old Royal Capital Cetinje has cultural and historical sites of national and regional importance. However, none of planed activities is targeting any of this city locations.	
7.2 Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	I = 3 P = 3	Moderate	Project will undertake a grant scheme that will support performance-based payment mechanism supporting low-carbon projects. As main beneficiaries will be private sector actors, risk exist that practices of these potential beneficiaries will result in creation of non-hazardous waste.	Precondition for supporting initiatives or businesses will be provision of necessary assessment of identification of quantities and manners of disposal of generated waste.
7.4 Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	I = 3 P = 3	Moderate	Project will undertake a grant scheme that will support performance-based payment mechanism supporting low-carbon projects. As main beneficiaries will	Precondition for supporting initiatives or businesses will be identification of type and quantity of pesticides used for the purpose of grants implementation. Existing legislative framework is well developed and Project will partner with relevant national institutions mandated for monitoring and supervision of this process.

			be private sector actors, risk exist that practices of these potential beneficiaries will result in use of pesticides that may have a negative effect on the environment or human health.	In addition, priority will be given to organic producers, resulting in risks decrease.
7.5 Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	I = 3 P = 3	Moderate	Project will undertake a grant scheme that will support performance-based payment mechanism supporting low-carbon projects. As main beneficiaries will be private sector actors, risk exist that practices of these potential beneficiaries will result in require significant consumption of raw materials, energy, and/or water	Precondition for supporting initiatives or businesses will be identification of type, sources and quantity of raw materials, energy, and/or water proving expected efficiency.
<b>QUESTION 4: What is the overall Project risk categorization?</b>				
<b>Select one (see <a href="#">SESP</a> for guidance)</b>			<b>Comments</b>	
<i>Low Risk</i>			<input type="checkbox"/>	
<i>Moderate Risk</i>			<input checked="" type="checkbox"/>	The project objective is to promote private sector investment in low-carbon and green businesses in Montenegro. The project will use a combination of policy de-risking (implementation of favorable policy framework and provision of business support services) and financial de-risking instruments (improving access to finance for innovative green businesses and partnerships, in particular agriculture, tourism and energy sectors). Overall, the project will stimulate low-emission economic growth and green job creation in Montenegro and will work with businesses and producers with intention of improving existing, less efficient, practices. As a consequence, number of risk was identified leading to overall project risk categorization as Moderate. Appropriate mitigation strategies are set in place.
<i>High Risk</i>			<input type="checkbox"/>	
<b>QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?</b>				
<b>Check all that apply</b>			<b>Comments</b>	
<i>Principle 1: Human Rights</i>			<input type="checkbox"/>	
<i>Principle 2: Gender Equality and Women's Empowerment</i>			<input type="checkbox"/>	

	<b>1. Biodiversity Conservation and Natural Resource Management</b>	<b>X</b>	Identified: 1.1, 1.2, 1.11
	<b>2. Climate Change Mitigation and Adaptation</b>	<b>X</b>	Identified: 2.2
	<b>3. Community Health, Safety and Working Conditions</b>	<b>X</b>	Identified: 3.1, 3.4, 3.7, 3.8
	<b>4. Cultural Heritage</b>	<b>X</b>	Identified: 4.1, 4.2
	<b>5. Displacement and Resettlement</b>	<input type="checkbox"/>	
	<b>6. Indigenous Peoples</b>	<input type="checkbox"/>	
	<b>7. Pollution Prevention and Resource Efficiency</b>	<b>X</b>	Identified: 7.2, 7.4, 7.5

### Final Sign Off

<b>Signature</b>	<b>Date</b>	<b>Description</b>
QA Assessor xxxx Add title	YYY	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 CD or DRR	ZZZ	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.

## SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks	
Principles 1: Human Rights	Answer (Yes/No)
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? <sup>1</sup>	No
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5. Are there measures or mechanisms in place to respond to local community grievances?	Yes
6. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
7. Is there a risk that rights-holders do not have the capacity to claim their rights?	No
8. Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
9. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women's Empowerment	
1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2. Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and	No

<sup>1</sup> Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

	implementation or access to opportunities and benefits?	
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
3.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?  <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
<b>Principle 3: Environmental Sustainability:</b> Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
<b>Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management</b>		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?  <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including 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?	Yes.
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No

1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	No
<b>Standard 2: Climate Change Mitigation and Adaptation</b>		
2.1	Will the proposed Project result in significant <sup>2</sup> greenhouse gas emissions or may exacerbate climate change?	No.
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
<b>Standard 3: Community Health, Safety and Working Conditions</b>		

<sup>2</sup> In regards to CO<sub>2</sub>, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No.
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No.
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No.
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	Yes.
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
<b>Standard 4: Cultural Heritage</b>		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	Yes.
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	Yes.
<b>Standard 5: Displacement and Resettlement</b>		

5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? <sup>3</sup>	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
<b>Standard 6: Indigenous Peoples</b>		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the rights, lands and territories of indigenous peoples (regardless of whether Indigenous Peoples possess the legal titles to such areas)?	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.4	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.5	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.6	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.7	Would the Project potentially affect the traditional livelihoods, physical and cultural survival of indigenous peoples?	No

<sup>3</sup> Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

6.8	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
<b>Standard 7: Pollution Prevention and Resource Efficiency</b>		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No.
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No.
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?  <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	No.
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No.