



The World Bank

Southeast Asia Disaster Risk Insurance Facility (SEADRIF): Strengthening Financial Resilience in Southeast Asia (P170913)

Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 07/09/2020 | Report No: ESRSA00951



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
East Asia and Pacific	EAST ASIA AND PACIFIC	P170913	
Project Name	Southeast Asia Disaster Risk Insurance Facility (SEADRIF): Strengthening Financial Resilience in Southeast Asia		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Finance, Competitiveness and Innovation	Investment Project Financing	9/25/2019	8/10/2020
Borrower(s)	Implementing Agency(ies)		
SEADRIF Trustee, SEADRIF Insurance Company	SEADRIF Trustee, SEADRIF Insurance Company		

Proposed Development Objective(s)

The project development objective is to improve access to pre-arranged financing through market-based mechanisms for responding to disasters in Southeast Asian countries.

Financing (in USD Million)	Amount
Total Project Cost	12.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

A. Regional Context

1. The Association of South East Asian Nations (ASEAN) countries, home to more than 650 million people with a combined GDP of almost US\$3 trillion, are highly prone to disaster and climate events. Floods, tropical storms, droughts, earthquakes and tsunamis all have left severe physical, economic and human impacts in the region, with more than 400 million of lives affected over the past 30 years and annual regional average expected losses equivalent



to greater than 0.3 percent of regional GDP. The losses are expected to increase for a variety of reasons, including growing urbanization, environmental degradation, and climate change.

2. ASEAN countries face different financing needs and challenges in the wake of disaster and climate shocks. The countries are at different stages of economic development, have different socio-political structures, and differ by risk profiles, fiscal space, level of access to financial markets, all of which generate different funding needs following disaster and climate events. The countries face with different challenges in securing access to timely and cost-efficient financing for short term emergency response and maintenance of essential government services and for longer term recovery and reconstruction.

3. Smaller sized economies in ASEAN comprising Cambodia, Lao PDR and Myanmar are faced with potential short-term funding gap for emergency response. The governments in Cambodia, Lao PDR and Myanmar have allocated contingency budgets and reserve funds to be used for emergency response, but all remain exposed to catastrophic events, relying heavily on international donor assistance for responses, relief, and recovery. Meanwhile, larger sized and disaster-prone economies such as Indonesia, the Philippines, and Vietnam face potential funding gaps for more severe but less frequent events (e.g., those occurring once every 10 years or less frequently), and often times for longer-term recovery and reconstruction.

4. ASEAN countries may experience compound shocks from pandemics and natural disasters. The Corona virus 2019 (COVID-19) outbreak has severely impacted ASEAN countries, with the full magnitude of the financial, fiscal, and social ramifications still unknown. As of early June 2020, ASEAN countries have recorded 106,903 cases along with 3,148 deaths, while poor testing may underestimate the figures. In 2020, the real GDP growth rate in Southeast Asia is expected to plunge to the negative zone at -0.7%, a sharp decline from 4.7% of growth rates in 2019. If a large-scale disaster happens, particularly during the response or recovery phase of COVID-19, it will put further strains on the countries' already limited fiscal space and on the populations as well as firms' finances.

B. Sectoral and Institutional Context

5. Confronted with narrowed fiscal space, ASEAN disaster prone economies seek to develop additional buffers to mitigate disaster and climate shocks. Governments of the Philippines and Indonesia, for example, already developed and implemented a financial protection strategy against disaster and climate risks, while others including Lao PDR, Myanmar, Cambodia, Vietnam are in the process of development of such strategies.

6. The financial sector in ASEAN disaster prone economies has made important contributions to the countries' development, however, remain under-developed to shoulder part of the government's fiscal costs due to disaster and climate risks. The insurance industry in Indonesia, Philippines, Thailand, and Vietnam have started providing insurance products for disaster and climate risks at the household levels with subsidies from the governments, however, these programs remain small scaled. Limited insurance products have been provided by local (re)insurers to the governments due to a variety of reasons including insufficient domestic (re)insurance capacity, limited availability of products and affordability.

7. Pre-arranged risk financing options are available to the governments and are often most efficient when combined with ex-post risk financing instruments through a risk layering strategy. In countries where financial protection



strategies were underpinned by risk layering, pre-arranged financing instruments such as contingent credit or insurance are combined with other traditional funding such as budget or reserves because no single instrument can help the governments weather the storm in a sustainable manner and efficiency gains can be best achieved when the instruments work in complementarity to respond to post-disaster funding needs.

8. ASEAN+3 Finance Ministers and Central Bank Governors have endorsed the establishment of the Southeast Asia Disaster Risk Insurance Facility (SEADRIF) as a platform to work together for better financial resilience of the ASEAN region against disaster and climate shocks. The World Bank was requested to act as the Lead Technical Partner to SEADRIF to provide technical assistance to the beneficiary countries and advise on any proposed SEADRIF activities. Signatory countries to the SEADRIF MOU agreed to set up SEADRIF under a Trust structure, domiciled in Singapore. Lao PDR and Myanmar agreed in May 2018 to establish and join the first regional catastrophe risk pool under a dedicated SEADRIF sub-trust (Sub-Trust A), while Cambodia pended their decision subject to their feasibility studies.

9. SEADRIF Insurance Company (the Company) will be established under Sub-Trust A to provide disaster risk financing and insurance products for the beneficiary countries, including a regional catastrophe risk pool for Lao PDR and Myanmar, with financial support from development partners. Payouts triggered by an insured event are designed to provide the affected governments with immediate post-disaster liquidity for disaster recovery. The World Bank was requested by development partners and beneficiary countries to transfer the funds from the World Bank administered MDTFs to support the capitalization and operationalization of the SEADRIF Insurance Company.

10. This project builds on existing in-country operations and dialogues in various engagement with units across the WB playing complementary roles. The project builds on the World Bank's experiences in the development of regional pools such as the Caribbean Catastrophe Risk Insurance Facility (CCRIF) and the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI). The project will provide grants for the purpose of capitalization of and covering start-up and operating costs for the Company in its provision of disaster risk financing and insurance products for ASEAN beneficiary countries as. The first product of the Company will be a hybrid insurance product, providing payouts for small, medium and severe flood events. A detailed financial analysis of the Company was undertaken to ensure its sustainability. SEADRIF member countries will review the activities of the Trust, the Sub-Trusts and the Company three years after the commencement of the Company to ensure its performance and sustainability.

C. Relevance to Higher Level Objectives

11. The proposed project contributes to the World Bank twin goals. By providing quick liquidity in the aftermath of a disaster through SEADRIF, the project helps alleviate the fiscal constraints faced by the countries in managing the impacts of disaster and climate shocks, thereby helping countries to prevent vulnerable populations from falling back into poverty and safeguarding the gains from development.

12. The project contributes to the WBG's Maximizing Finance for Development by crowding in the (re)insurance and capital markets through promoting public-private partnerships to bridge the financial protection gap, support long-term development and open new markets and opportunities for private solutions. The Company is expected to mobilize up to US\$25 million of risk capital from the industry in case 1-in-20 years events occur in both Lao PDR and Myanmar in one policy year under the first cat risk pool. The Company is also expected to leverage the private sector



expertise from insurance managers, asset managers, reinsurers, reinsurance brokers, legal and technology companies to help deliver solutions to and improve risk market infrastructure for participating countries.

13. SEADRIF is consistent with the World Bank’s strategy to promote innovative products to spread and manage risk. It is also aligned to the World Bank Group Climate Change Action Plan and its priority on “Leave No One Behind”, particularly paragraph 110 which states that the World Bank Group will “scale up sovereign disaster risk insurance”. “Forward Look – A Vision for the World Bank Group in 2030” prepared by the WBG for the Development Committee Meeting of October 8, 2016, also focuses on Global Crisis Response Platform which highlights the importance of regional risk pool and accessing insurance markets.

14. The project is fully aligned with the World Bank Group’s East Asia Pacific Regional Strategy, presented to the Board in February 2016. The proposed project particularly links to the strategic priority of “Climate Change and Disaster Risk Management through resilient investments and Disaster Risk Financing and Insurance”.

15. The project is also aligned with SEADRIF member countries’ Country Partnership Frameworks (CPF) where strengthening resilience, including financial resilience, against climate and disaster risks is an important pillar and contributes to the implementation of their national socio-economic development plans and disaster risk finance strategies.

16. SEADRIF contributes to the WBG East Asia and Pacific region’s ongoing efforts to harness disruptive technology for better country outcomes. SEADRIF Flood Risk Monitoring Tool has been developed as public goods with the support from the World Bank to provide governments with rapid, reliable, and relevant information to make better risk-informed decisions before, during and in the aftermath of flooding, leverage state-of-the-art space technology and advances in remote sensing to make the best risk information accessible to governments and underpin the parametric insurance component of the first catastrophe risk pool.

D. Project Summary

17. The project has three Components that have been identified with SEADRIF Sub-Trust A Committee and partners. The components aim to support the set-up, operationalization and capitalization of the Company and support the implementation as well as monitoring and evaluation of the project in order to achieve the development objectives. The Trustee and the Company will be the grant Recipients and project Implementing Agencies.

18. Component 1. Capitalization of the Company (US\$10 million).

This component provides grant financing to the Trustee who would then subscribe shares to the Company as the sole shareholder. This financing would enable the Company to (a) satisfy the capital adequacy requirement under the Insurance (Valuation and Capital) Regulations issued by the MAS and (b) be adequately capitalized to sell its first product as the catastrophe risk pool for Lao PDR and Myanmar in line with the business plan agreed with the World Bank.

19. Component 2. Set-up and operationalization of the Company (US\$1,200,000)

This Component supports the setup and operationalization of the Company, including inter alia regulatory fees, risk modeling, (new) product development, communications, system development and other related professional fees/costs necessary for the set-up and operations of the Company.

20. Component 3. Set-up and operationalization of SEADRIF Trust/Sub-Trust, Project preparation and implementation, monitoring and evaluation (US\$800,000)

This Component supports the Trustee for (a) the setup and operations of SEADRIF Trust and Sub-Trusts, fulfillment of the Trustee's role as the sole shareholder of the Company and (b) the project preparation, implementation and monitoring and evaluation (M&E). M&E activity will focus on (i) use of grants provided by the World Bank including project reporting; (ii) implementation arrangements for compliance with WB's Environmental and Social Framework including for the use of insurance payouts from the Company which includes but is not limited to monitoring the submission and receiving the beneficiary countries' reports and information on their use of payouts, reviewing these reports and information with support from an environmental & social (E&S) Focal Point and reporting to the Committee, arranging audits of the beneficiary countries' use of payouts upon instruction from the Committee and at the request of the WB; and (iii) other M&E of project activities.

21. Flow of funds. Grant for capitalization under Component 1 will flow from the World Bank SEADRIF MDTF to the Trustee who then transfers to the Company on a share subscription agreement. Other grants will flow directly to the Company for set-up and operational expenditures under Component 2 and to the Trustee for set-up and operationalization of SEADRIF Trust/Sub-Trust and project preparation, management and implementation costs under Component 3.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

In December 2018, a Memorandum of Understanding (MOU) for the establishment of Southeast Asia Disaster Risk Insurance Facility (SEADRIF) was signed by Cambodia, Indonesia, Lao PDR, Myanmar, Japan, and Singapore. The MOU was signed by the Philippines in May 2019. In July 2019, the Trust Deed was signed by Japan and Singapore as Settlers and Intertrust (Singapore) Ltd., a trust management company in Singapore, as the SEADRIF Trustee. SEADRIF is designed as a platform to provide technical and financial solutions, knowledge, and capacity building services to ASEAN member countries. SEADRIF Trust is domiciled in Singapore jurisdiction.

The project is to transfer US\$12 million from the World Bank administered Multi-Donor Trust Fund (MDTF) to the Trustee to capitalize and operationalize the SEADRIF Insurance Company at the request of Lao PDR, Myanmar, and Japan. The World Bank was requested by the countries to act as the Lead Technical Partner to advise SEADRIF governing bodies and implementing agencies (SEADRIF Trustee and SEADRIF Insurance Company) on various matters. The technical assistance under the SEADRIF MDTF will help ASEAN beneficiary countries starting with Lao PDR and Myanmar develop contingency plans that strengthen their existing system and process for the use of insurance proceeds.



SEADRIF Insurance Company (the Company) was established under Sub-Trust A and domiciled in Singapore to provide disaster risk financing and insurance products for the beneficiary countries, including a regional catastrophe risk pool for Lao PDR and Myanmar, with financial support from development partners. The capitalization and operating expenses of the SEADRIF Insurance Company will come from the grant of the MDTF to ensure that it has adequate capacity to fund its liabilities (i.e. make a payout to the countries' governments when eligible events trigger payout). Intertrust acts as the Trustee of the SEADRIF Trust and SEADRIF Sub-Trust A. The Trustee reports to the SEADRIF Council of Members and Committee of Sub-Trust A (the Committee).

The Trustee and the Company, as grant recipients of the WB Project, will be subject to the requirements under the WB's Environmental and Social Framework (ESF) which came into effect in October 2018. These ESF requirements are applied to SEADRIF's own operations and the use of the insurance payouts by the beneficiary countries. The insurance payouts from the Company are expected to cover country-specific goods, services, and physical works needed for emergency response, recovery, and maintenance of essential public services.

D. 2. Borrower's Institutional Capacity

The Trustee and the Company, as grant recipients and project implementing agencies, have no or limited exposure to environmental and social standards of the World Bank or other International Financial Institutions. The project implementation will be through the Trustee and the Company. The Trustee confirmed that it has general regulatory and compliance services at the corporate level. There can be an opportunity to require the implementing agencies to incorporate environmental and social considerations into the project deliverables such as the set-up and operationalization of SEADRIF Insurance Company.

During project preparation, the Trustee and the Company have developed an Environmental and Social Management System (ESMS) following the letter and spirit of the World Bank Environmental and Social Standard 9 (ESS9). The ESMS aims to manage potential environmental and social risks and impacts arising from SEADRIF operations and the use of insurance payouts by the beneficiary countries. In line with the ESF, the ESMS details (i) SEADRIF's environmental and social policy; (ii) procedures for the identification, assessment, and management of the environmental and social risks and impacts of project activities; (iii) organizational capacity and competency within SEADRIF; (iv) processes for monitoring and audit of environmental and social performance of the activities supported by SEADRIF; and (v) external communications mechanism, including a Stakeholder Engagement strategy and a Grievance Mechanism.

As SEADRIF is newly established, the implementing agencies, namely the Trustee and the Company, may not have the institutional experience to manage the environmental and social aspects of their operations under the WB ESF requirements. Therefore, capacity building is needed for the Company to manage the environmental and social aspects that meet the Bank ESF requirements. They will appoint an E&S Focal Point (a staff member or a consultant) before the effectiveness of the project to provide technical support to the Trustee, the Company, and the Committee on E&S matters. Also, they must ensure that a sufficient budget to manage and implement the project's ESF instruments is in place.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS



A. Environmental and Social Risk Classification (ESRC)

Moderate

Environmental Risk Rating

Moderate

Environmental Risk is moderate based on the following considerations. The Bank is not a lender for specific investments except for capitalization and set-up of the insurance company’s operations and would be the Lead Technical Partner to the grant recipients, the SEADRIF Trustee, and the Company. The grants would be used for capital and operating expenses for its intended purpose which is to make insurance payout to beneficiary countries (e.g. Laos and Myanmar). As the project ESMS includes the exclusion list and the E&S management procedure, the Environmental risk would be Low to moderate. Furthermore, SEADRIF Trustee and the Insurance Company have limited awareness, capacity, and no prior experience with the World Bank ESF.

Social Risk Rating

Moderate

The Social Risk Rating is moderate since the project’s payouts could only finance reconstruction activities that are likely to have moderate or low adverse environmental or social risks or impacts: e.g. reconstruction of built assets damaged or destroyed by disasters such as pre-existing schools or health centers. Following the exclusion list included in the project’s ESMS, the beneficiary countries will ensure that any activities considered as Substantial or High Environmental and Social Risk pertinent to the WB’s Environmental and Social Framework and/or national environmental and social laws and regulations are excluded from the insurance payouts.

The project will potentially bring benefits to the communities since this project will allow public authorities to have cost-efficient and faster access to resilient funds in order to mitigate the negative impact of disasters on the economy and livelihood.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The Trustee and the Company have developed an Environmental and Social Management System (ESMS) that will manage potential environmental and social risks and impacts arising from SEADRIF operations and the use of insurance payouts by the beneficiary countries, following the letter and spirit of the WB Environmental and Social Standard 9 (ESS9).

The payouts can be allocated to the disaster recovery activities by the beneficiary countries, including for goods, services, and physical works needed for emergency response, recovery, and maintenance of essential public services. Since SEADRIF activities are expected to cause low or moderate environmental or social risks or impacts, following para 9 of ESS9, national environmental, social, health and safety laws and regulations, including labor law, will apply for both direct operations of SEADRIF (Singapore national laws) and E&S management by the recipients of insurance payouts.

Public Disclosure



Since the insurance payouts will be provided to support emergency response, the project's ESMS does not include an ex-ante E&S screening mechanism to screen out the specific activities but include an exclusion list that defines activities that cannot be financed by the insurance payouts. SEADRIF will ensure to manage the intake of information from the beneficiary countries and arrange E&S post audit as required to confirm that the beneficiary countries comply with the exclusion list.

The exclusion list includes the activities that could pose substantial or high environmental and social risks pertinent to the WB's ESF and/or national environmental and social laws and regulations. This is especially relevant for physical works, and SEADRIF payouts could only finance reconstruction activities that are likely to have moderate or low adverse environmental or social risks or impacts: e.g., reconstruction of public assets damaged or destroyed by disasters such as pre-existing schools or health centers.

The beneficiary countries are committed to establishing systems that would enable the Trustee, with support from the E&S Focal Point, to arrange if required, an E&S post audit after an insurance payout is transferred to the designated accounts managed by the beneficiary countries to ensure payouts were used inconsistency with national laws and in compliance with the exclusion list. The Sub-Trust A Operations Manual, consistent with the project's ESMS, will provide further details on the application of the E&S post audits.

ESS10 Stakeholder Engagement and Information Disclosure

The project's ESMS includes a Stakeholder Engagement Strategy, presenting potentially affected and interested parties. High-level stakeholder consultation will be conducted by E&S Focal Point at the instruction of the Committee and upon communication by the Trustee prior to project effectiveness

As stated in the project's ESMS, during project implementation, regular stakeholder engagement will be planned and conducted by SEADRIF following these principles: (i) Implement stakeholder engagement in a manner that is appropriate and cognizant to the local social and cultural context; (ii) Maintain transparency of information disclosure to stakeholder groups in accordance with relevant host-country regulations; (iii) Engagement is free of intimidation and coercion; and (iv) Implement a grievance mechanism and ensure that opportunities to incorporate adequate feedback are included in SEADRIF's operations.

The project's Grievance Mechanism, included at the ESMS, establishes that the grievances raised from stakeholders about SEADRIF's activities financed by the WB will be managed by the E&S Focal Point. In turn, grievances about the use of payouts will be handled by each beneficiary country following the national regulations and system. The Committee will be responsible for reviewing the grievance redress of the beneficiary countries with support from the E&S Focal Point.

A draft of the project's ESMS and Environmental and Social Commitment Plan (ESCP) will be disclosed on the website of SEADRIF (www.seadrif.org) before the end of June 2020, for public information and feedback. For external communications on environmental and social issues, SEADRIF will put in place a mechanism to receive, respond to, and document requests for information or concerns to allow a timely response. This includes making contact information (e-mail address) of SEADRIF publicly available and accessible.



B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

Project workers include the Trustee and the Company’s staff and consultants (direct workers). SEADRIF Trustee and SEADRIF Insurance Company should engage professional providers, including but not limited to insurance managers, asset managers, audit firms, tax agents, calculation agents for ongoing operations, and management (contract workers). This project is not expected to include primary supply workers or community workers.

Since both the Trustee and the Company are based in Singapore, then labor practices for most of the direct and some of the contract workers will be governed by the Singaporean Employment Act. The Trustee will make available human resources for the Project as required, however, the Project is not expected to require full-time dedicated human resources. The Trustee, together with the E&S Focal Point, will undertake a high-level review of the existing employment requirements in Singapore to confirm broad alignment with the requirements of ESS2 as appropriate to the nature of the Project. Based on the results of the review this will be captured in the Labour Management Procedures (LMP) as part of the Sub-Trust A Operations Manual.

The Company is not expected to have any of its own employees, as such no LMP review is required.

The E&S Focal Point will have the primary responsibility to ensure compliance with relevant ESS2-related national laws of the SEADRIF activities in Singapore. The beneficiary countries will have the primary responsibility to ensure compliance with the ESS2-related national laws on the activities supported by the insurance payouts.

ESS3 Resource Efficiency and Pollution Prevention and Management

Provisions of ESS3 Resource Efficiency and Pollution Prevention would be included in the ESCP, including the develop and implement the management of E-Waste in relation to the Project to ensure that any e-waste generated by the Project is disposed of in accordance with local requirements in Singapore.

The ESCP will incorporate as well resource efficiency and pollution prevention and management measures to support the efficient use of resources and pollution prevention to meet local requirements in Singapore.

ESS4 Community Health and Safety

Given the nature of the Project, there will be little or no risks or impacts relating to community health & safety, as such this standard has been screened out.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement



Given the nature of the project, there will be little or no risks or impacts relating to land acquisition, restrictions on land use, and involuntary resettlement. As such, this standard has been screened out. The exclusion list of the ESMS states that any activity involving resettlement that can adversely cause substantial or high environmental and social risk will not be eligible and shall be excluded from funding by the insurance payouts.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Given the nature of the Project, there will be little or no risks or impacts relating to biodiversity conservation and sustainable management of living natural resources, as such this standard has been screened out.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Given the nature of the project, there will be little/no risks or impacts relating to Indigenous Peoples. As such, this standard has been screened out. The exclusion list of the ESMS states that any activity that can cause substantial or high risks or impacts on Indigenous Peoples will not be eligible and shall be excluded from funding by the insurance payouts.

ESS8 Cultural Heritage

Given the nature of the Project and the exclusion list in the ESMS, there will be little or no risks or impacts relating to cultural heritage. As such, this standard has been screened out. The exclusion list of the ESMS states that any activity that adversely can cause substantial or high environmental and social risk to cultural property, including sites having archaeological (prehistoric), paleontological, historical, religious, cultural and unique natural values will not be eligible and shall be excluded from funding by the insurance payouts.

ESS9 Financial Intermediaries

As the insurance payouts from the Company are expected to cover country-specific goods, services and physical works needed for emergency response, recovery and maintenance of essential public services, excluding activities that could pose substantial or high environmental and social risks and impacts, The Trustee and the Company have developed an Environmental and Social Management System (ESMS) following the letter and spirit of the World Bank Environmental and Social Standard 9 (ESS9). The ESMS aims to manage potential environmental and social risks and impacts arising from SEADRIF operations and the use of insurance payouts by the beneficiary countries. In line with the ESS9 requirements, the ESMS details (i) SEADRIF’s environmental and social policy; (ii) procedures for the identification, assessment, and management of the environmental and social risks and impacts of project activities; (iii) organizational capacity and competency within SEADRIF; (iv) processes for monitoring and audit of environmental and social performance of the activities supported by SEADRIF; (v) procedures of update the ESMS; and (vi) external communications mechanism, including a Stakeholder Engagement strategy and a Grievance Mechanism.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

No



OP 7.60 Projects in Disputed Areas

No

III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

DELIVERABLES against MEASURES AND ACTIONs IDENTIFIED	TIMELINE
ESS 1 Assessment and Management of Environmental and Social Risks and Impacts	
Establish and maintain an organizational structure with a qualified staff, including an Environmental & Social Focal Point, and resources to support the management of E&S risks.	10/2020
Based on the Project activities, no further assessment is required, except the roles and responsibilities set out in the Environmental and Social Management System (ESMS).	10/2020
<p>The Trustee and the Company have prepared an ESMS to set out the arrangements for managing the environmental and social aspects of the Project.</p> <p>The Sub-Trust A Operations Manual, consistent with the requirements of the Project’s ESMS, will include general provisions for Labor Management Procedures (LMP), Occupational Health and Safety (OHS), and dispute resolution (under ESS2) and Pollution management and use of resources (under ESS3).</p>	10/2020
ESS 10 Stakeholder Engagement and Information Disclosure	
The Trustee and the Company will ensure that diverse key stakeholders at regional and national level are identified and provided with meaningful information about the Project.	10/2020
Prepare, adopt, maintain and operate a grievance mechanism to address concerns coming from both Project-affected peoples and other interested parties.	10/2020
ESS 2 Labor and Working Conditions	
The Trustee and the Company will undertake a review of the existing employment requirements in Singapore to confirm alignment with the requirements of ESS2 . The LMP will be included as part of the Sub-Trust A Operations Manual	10/2020
The Trustee and the Company will ensure that a grievance mechanism for their own employees working on the Project is available, and referenced in the LMP as part of the Sub-Trust A Operations Manual.	10/2020

Public Disclosure

Ensure that for the Trustee’s and the Company’s own employees working on the Project, OHS measures (including emergency preparedness and response measures) are followed as required in Singapore.	10/2020
ESS 3 Resource Efficiency and Pollution Prevention and Management	
Develop and implement the management of E-Waste in relation to the Project as part of the Sub-Trust A Operations Manual to ensure that any e-waste generated by the Project is disposed of in accordance with local requirements in Singapore.	10/2020
Incorporate resource efficiency and pollution prevention and management measures in the Sub-Trust A Operations Manual to support the efficient use of resources and pollution prevention for the Project to meet Singaporean requirements	10/2020
ESS 4 Community Health and Safety	
ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	
ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources	
ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	
ESS 8 Cultural Heritage	
ESS 9 Financial Intermediaries	
The Trustee and the Company will implement, and update as appropriate, the ESMS to meet the requirements of ESS 9 including ensuring there is the capacity to maintain it through the appointment of the E&S Focal Point.	10/2020

Public Disclosure

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework? No

Areas where “Use of Borrower Framework” is being considered:

Not applicable.

IV. CONTACT POINTS

World Bank

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The World Bank

Southeast Asia Disaster Risk Insurance Facility (SEADRIF): Strengthening Financial Resilience in Southeast Asia (P170913)

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Borrower/Client/Recipient

Borrower: SEADRIF Trustee

Borrower: SEADRIF Insurance Company

Implementing Agency(ies)

Implementing Agency: SEADRIF Trustee

Implementing Agency: SEADRIF Insurance Company

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): Alwaleed Fareed Alatabani, Hideaki Hamada, Thu Hang Vu

Practice Manager (ENR/Social) Stephen Ling Cleared on 30-Jun-2020 at 17:19:57 EDT

Safeguards Advisor ESSA Peter Leonard (SAESSA) Concurred on 09-Jul-2020 at 09:32:32 EDT