

THE PTA REINSURANCE COMPANY /ZEP-RE

**DE-RISKING, INCLUSION, AND VALUE
ENHANCEMENT OF PASTORAL ECONOMIES IN
THE HORN OF AFRICA PROJECT**

**ENVIRONMENTAL and SOCIAL
COMMITMENT PLAN (ESCP)**

13 April 2022

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The PTA Reinsurance Company (Zep-Re) shall implement component 1 of the “De-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa” project (the **Project**). Zep-Re shall implement the project through other insurance intermediaries in Kenya, Somalia, and Ethiopia. The International Bank for Reconstruction and Development/International Development Association (hereinafter the Association) has agreed to provide financing for the Project.
2. Zep-Re will implement material measures and actions so that the Project is implemented in accordance with the Environmental and Social Standards (**ESSs**). This Environmental and Social Commitment Plan (**ESCP**) sets out material measures and actions, any specific documents, or plans, as well as the timing for each of these.
3. Zep-Re will also comply with the provisions of any other E&S documents required under the Environment & Social Framework (ESF) and referred to in this ESCP, such as the Environmental and Social Management Framework and Stakeholder Engagement Plans (SEP), and the timelines specified in those E&S documents.
4. Zep-Re is responsible for compliance with all requirements of the ESCP.
5. Implementation of the material measures and actions set out in this ESCP will be monitored and reported to the Association by Zep-Re as required by the ESCP and the conditions of the legal agreement, and the Association will monitor and assess the progress and completion of the material measures and actions throughout the implementation of the Project.
6. As agreed by the Association and Zep-Re this ESCP may be revised from time to time during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to an assessment of Project performance conducted under the ESCP itself. In such circumstances, Zep-Re will agree to the changes with the Association and will update the ESCP to reflect such changes. Agreement on changes to the ESCP will be documented through the exchange of letters signed between the Association and the Zep-Re. Zep-Re will promptly disclose the updated ESCP.
7. Where Project changes, unforeseen circumstances, or Project performance result in changes to the risks and impacts during Project implementation, Zep-Re shall provide additional funds after a resolved agreement with the Association, if needed, to implement actions and measures to address such risks and impacts.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
MONITORING AND REPORTING			
A	<p>REGULAR REPORTING</p> <p>(i) Prepare and submit to the Association regular monitoring reports on the environmental, social, health, and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP, ESMS, stakeholder engagement activities, functioning of the grievance mechanism(s) and confirming compliance with the E&S requirements.</p> <p>(ii) Participating financial intermediaries will submit to Zep-Re regular monitoring reports for environmental, social, health and safety performance of the project.</p>	<p>(i) Reports will be submitted to the Association every six months and annually throughout project implementation starting from 6months after effectiveness.</p> <p>(ii) Reports will be submitted to the ZEP-Re six months throughout project implementation.</p>	<p>(i) Zep-Re</p> <p>(ii) Participating Insurance Intermediaries</p>
B	<p>INCIDENTS AND ACCIDENTS</p> <p>(i) Promptly notify the Association of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public, or workers including spills, labor abuses, fatalities, or serious accidents, road accidents, etc.</p> <p>(ii) Provide sufficient detail regarding the incident or accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by any contractor and supervising entity, as appropriate. Subsequently, as per the Association’s request, prepare a report on the incident or accident and propose any measures to prevent its recurrence.</p>	<p>(i) Notify the Association within 48 hours after learning of any incident or accident.</p> <p>(ii) Timing on the submission of subsequent reports will be specified by the Association, depending on the nature of the incident.</p>	<p>(i) Zep-Re</p> <p>(ii) Zep-Re</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS			
1.1	<p>ORGANIZATIONAL STRUCTURE</p> <p>(i) Designate staff and resources for the implementation of the Environmental and Social Management System (ESMS) as set out in Section 9 below.</p>	<p>(i) Establish the ES implementation structure as a condition for project effectiveness and maintain it throughout Project Implementation.</p>	<p>(i) Zep-Re</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
1.2	<p>ENVIRONMENTAL AND SOCIAL ASSESSMENT</p> <p>(i) Develop, adopt and disclose an ESMS agreed with the Association as set out in Section 9 below.</p> <p>(ii) Assess the environmental and social risks and impacts of proposed microinsurance activities and insurance intermediaries, in accordance with the ESMS, prepared pursuant to the provisions of the Financing Agreement. The ESMS will identify, assess, manage, and monitor the environmental and social risks and impacts of microinsurance activities, commensurate with the nature and scale of their risks and impacts, and support borrowers in meeting the ESMS requirements through the use of Environmental and Social Action Plans (ESAPs) where relevant.</p> <p>(iii) Zep-Re will develop guidelines for participating insurance intermediaries, for identification, management, and monitoring of the environmental and social risks and impacts of microinsurance activities, commensurate with the nature and scale of their risks and impacts and support borrowers in meeting the ESMS requirements through the use of Environmental and Social Action Plans (ESAPs) where relevant. Those Guidelines will be part of the ESMS.</p>	<p>(i) As a condition of Project effectiveness (see Section 9 below) and implemented throughout Project Implementation</p> <p>(ii) Throughout Project Implementation</p>	<p>(i) Zep-Re</p> <p>(ii) ZEP-Re</p>

<p>1.3</p>	<p>EXCLUSION LIST</p> <p>(i) Zep-Re will not support activities that are on the List of Exclusion as included in the ESMS and the Project Operational Manual (POM).</p> <p>At a minimum the following shall be excluded from the project activities in ZEP-RE ESMS</p> <ul style="list-style-type: none"> • Any activities resulting or anticipated to result in permanent or temporary physical or economic displacement. • Any activities involving adverse impacts on biodiversity conservation and sustainable management of living natural resources. • Any activities that have adverse impacts on cultural heritage as defined under ESS 8. • Any activities that, due to the nature and scale of the activities, would result in a wide range of significant adverse impacts and risks, which are long-term, permanent, and/or irreversible, impossible to avoid entirely, and cannot be mitigated or required complex, unproven mitigation and excessive associated costs, rendering its risk classification as high. • Production or trade in any product or activity deemed illegal under the Recipient’s laws or regulations or ratified international conventions and agreements. • Production or trade-in pesticides/herbicides subject to international phase-outs or bans. • Any activities that would curtail workers’ fundamental rights. These would include: (i) freedom of association and the effective recognition of the right to collective bargaining; (ii) prohibition of all forms of forced or compulsory labor; (iii) prohibition of child labor, including without limitation the prohibition of persons under 18 from working in hazardous conditions (which includes construction activities), persons under 18 from working at night, and that persons under 18 be found fit to work via medical examinations; (iv) elimination of discrimination in respect of employment and occupation, 	<p>(i) Throughout Implementation</p> <p>Project</p>	<p>(i) Zep-Re</p>
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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	<p>where discrimination is defined as any distinction, exclusion or preference based on race, color, sex, religion, political opinion, national extraction, or social origin.</p> <ul style="list-style-type: none"> • Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples. 		
ESS 2: LABOR AND WORKING CONDITIONS			
2.1	<p>LABOR MANAGEMENT PROCEDURES</p> <p>(i) Zep-Re will ensure, through the implementation of its ESMS, that as an organization, it maintains implements human resources (HR) policies and procedures consistent with the requirements under the national law of each of the beneficiary countries and ESS2 and ensure that Project workers are informed of and have access to these policies.</p> <p>(ii) ZEP- RE will require insurance intermediaries to implement, maintain and disclose human resources (HR) policies and procedures consistent with the requirements under the national law of each of the beneficiary countries and ESS2. Insurance intermediaries to submit reports every six months</p>	<p>(i) Throughout Implementation Project</p> <p>(ii) Throughout Project implementation.</p>	<p>(i) Zep-Re</p> <p>(i) Participating Insurance Intermediaries</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.2	<p>WORKERS GRIEVANCE MECHANISM</p> <p>(i) Zep-Re to ensure, through the implementation of its ESMS, the insurance intermediaries maintain, and operate an accessible grievance mechanism (GM) for their employees, consistent with requirements under the national law of the beneficiary countries and ESS2.</p>	(i) Throughout Implementation Project	(i) Zep-Re
2.3	<p>PROTECTING THE WORKFORCE</p> <p>(i) Zep-Re will require insurance intermediaries to undertake their microinsurance activities in compliance with the ESMS Guidance Note. The insurance intermediaries will generate awareness about the potential of child and forced labor in pastoral activities and steps that pastoralists and pastoral groups can undertake to mitigate and manage child and forced labor in pastoral activities. Guidance on this is provided in the ESMS Guidance Note.</p>	(i) Throughout Implementation Project	(i) Zep-Re and Participating Insurance Intermediaries

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
2.4	<p>OCCUPATIONAL, HEALTH, AND SAFETY (OHS) MEASURES</p> <p>(i) Zep-Re shall develop and implement occupational, health, and safety (OHS) procedures, in line with the World Bank Group’s EHS Guidelines and consistent with the requirements of national labor laws and ESS2.</p> <p>(ii) Zep-Re shall require the insurance intermediaries to have in place OHS plans as described in the LMP, consistent with national labor laws and ESS2, and to provide reports to ZEP- RE every six months</p>	<p>(i) OHS procedures to be operational prior to engaging Project workers and commencement of project activities and maintained throughout project implementation.</p> <p>(ii) As above.</p>	<p>(i) Zep-Re</p> <p>(ii) Zep-Re and Participating Insurance Intermediaries</p>
2.5	<p>EMERGENCY PREPAREDNESS AND RESPONSE:</p> <p>(i) As part of the OHS measures, Zep-Re will include a detailed plan on emergency preparedness and response to cover Project workers and ensure coordination of other OHS measures.</p> <p>(ii) Zep-Re will require participating insurance intermediaries to put in place and disclose emergency preparedness and response plans, in line with Zep-Re EPR plan. Insurance intermediaries to provide reports every six months</p>	<p>(i) EPR plans to be prepared prior to engaging Project workers and commencement of project activities and maintained throughout project implementation.</p> <p>(ii) As above.</p>	<p>(i) Zep-Re</p> <p>(ii) Participating Insurance Intermediaries</p>
ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME		RESPONSIBLE ENTITY
3.1	(i) Zep-Re will require insurance intermediaries to undertake their microinsurance activities in compliance with the ESMS Guidance Note. The insurance intermediaries will generate awareness about potential environmental impacts associated with pastoral activities and steps that pastoralists and pastoral groups can undertake to mitigate and manage potential environmental impacts associated with ESS3. Guidance on this is provided in the ESMS Guidance Note.	(i) Throughout implementation	Project	(i) Zep-Re
ESS 4: COMMUNITY HEALTH AND SAFETY				
4.1	COMMUNITY HEALTH AND SAFETY: (i) Zep-Re will require all insurance intermediaries to implement safety measures and action to assess and manage specific risks and impacts including Gender-Based Violence (GBV) risks, the transmission of COVID, and other communicable diseases that are likely to exacerbate due to its interactions with the pastoralists and pastoral groups in compliance with the ESMS Guidance Note.	(i) Throughout Implementation	Project	(i) Zep-Re
ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT				
5.1	RESETTLEMENT PLANS: (i) No land acquisition and involuntary resettlement are expected as part of the microinsurance activities and this will be excluded in the ESMS exclusion list			
ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES				

MATERIAL MEASURES AND ACTIONS		TIMEFRAME		RESPONSIBLE ENTITY
6.1	<p>BIODIVERSITY RISKS AND IMPACTS:</p> <p>(i) Zep-Re will require insurance intermediaries to undertake their microinsurance activities in compliance with the ESMS Guidance Note. The insurance intermediaries will generate awareness about potential biodiversity impacts associated with pastoral activities and steps that pastoralists and pastoral groups can undertake to mitigate and manage potential biodiversity impacts. Guidance on this is provided in the ESMS Guidance Note.</p>	(i)	Throughout Implementation Project	(i) Zep-Re
ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES				
7.1	<p>(i) ZEP-Re’s ESMS will clearly define procedures for identifying, assessing, and managing the E&S risks and impacts for the project on IPSSAHUTLCs.</p> <p>(ii) Zep-Re external communication department will work closely with the line Ministry’s communication team to disseminate using local language information about the project activities and benefits to IPSSAHUTLCs and their livestock production groups.</p> <p>(iii) Zep-Re will include legal clauses in the agreements with Participating Insurance Intermediaries to require them to disseminate project information, eligibility criteria through their websites, branch offices. This will ensure that IPSSAHUTLCs have access to information about project activities and that the process is transparent and non-discriminatory to these groups. The guidance note will also provide guidance to insurance intermediaries on how to engage with IPSSAHUTLCs.</p>	(i)	Throughout Implementation. Project	(i) Zep-Re
		(ii)	Throughout Implementation. Project	(ii) Zep-Re and line project ministries.
		(iii)	Throughout Implementation. Project	(iii) Zep-Re and Participating Insurance Intermediaries.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 8: CULTURAL HERITAGE			
8.1	<p>CHANCE FINDS:</p> <p>(iv) No impacts under ESS8 are expected as part of the microinsurance activities and this will be excluded in the ESMS.</p>	(i) Throughout Project Implementation	(i) Zep-Re
ESS 9: FINANCIAL INTERMEDIARIES			

<p>9.1</p>	<p>ESMS:</p> <p>(i) Zep-Re will develop a project-specific ESMS as per the requirements of ESS9 of the ESF. This will be reviewed, cleared, and disclosed by the World Bank External Website and by Zep-Re.</p> <p>The ESMS will incorporate the following elements:</p> <ul style="list-style-type: none"> • Project description and background. • Environmental and Social Policy • Clearly defined procedures for identifying, assessing, and managing the E&S risks and impacts for each project component of the project • Exclusion lists and a list of ineligible activities. • E&S capacity and structure • Supervision and reporting • External communication mechanism and complaints mechanism • Tools, templates, and guidance notes for undertaking environmental and social due diligence and ongoing monitoring. <p>(ii) ZEP-Re will develop and include in its project-specific ESMS the E&S requirements and guidelines for Participating Insurance Intermediaries (Guidance Note). The E&S requirements will include:</p> <ul style="list-style-type: none"> • Exclusion list and list of ineligible activities. • Host country regulatory requirements. • E&S screening procedures, tools, templates, checklists, and guidance for use by the Participating Insurance Intermediaries to undertake, E&S risk assessment, management, and monitoring in compliance with relevant E&S requirements of ZEP-Re and the ESSs. 	<p>(ii) Condition for project effectiveness.</p> <p>(iii) Once established, the ESMS is maintained and operated throughout Project implementation.</p>	<p>(i) Zep-Re</p> <p>(ii) ZEP-Re</p>
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MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	(iii) ZEP-Re’s senior management will endorse the Environmental and Social Policy.	(iv) Participating in Insurance Intermediaries to adopt the ESMS prior to funds disbursement. (v) Condition for project effectiveness.	(iii) Participating Insurance Intermediaries (iv) ZEP-Re
9.2	<p>ORGANIZATIONAL CAPACITY:</p> <p>(i) Designate E&S capacity and resources for ESMS implementation.</p> <p>(ii) ZEP-Re will prepare an E&S capacity building plan for internal capacity on ESMS implementation and capacity enhancement for the participating insurance intermediaries acceptable to the Association and deliver the training as per the plan.</p> <p>(iii) ZEP-Re will require the participating insurance intermediaries to nominate or second E&S focal persons responsible for ensuring E&S requirements, local national requirements, and guidelines are followed.</p>	<p>(i) Throughout Project Implementation.</p> <p>(ii) Capacity building plan finalized and agreed with the Bank within first 6 months of project effectiveness and implemented as per the schedule therein.</p> <p>(iii) Throughout Project Implementation</p>	<p>(i) Zep-Re</p> <p>(ii) ZEP-Re and Participating insurance intermediaries.</p> <p>(iii) ZEP-Re and Participating insurance intermediaries.</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE			
10.1	<p>External Communication</p> <p>(i) Zep-Re’s ESMS will include a project-specific External Communication strategy and plan which will be disclosed on their website.</p> <p>(ii) Participating Insurance Intermediaries will be required by Zep-Re to have an External Communication mechanism and stakeholders’ engagement plans.</p>	<p>(i) Condition for project effectiveness and maintained, disseminated throughout Project Implementation.</p> <p>(ii) Established prior to disbursement of funds to the PII and maintained, disseminated throughout Project Implementation.</p>	<p>(i) Zep-Re</p> <p>(ii) Zep-Re and Participatory Insurance Intermediaries.</p>
10.2	<p>Complaints Mechanism</p> <p>(i) As part of its ESMS, ZEP-Re will operationalize and maintain a functioning complaint handling mechanism. This complaints mechanism will receive, register, screen and assess, track, respond to, and act on external inquiries and complaints from the public regarding their operations.</p> <p>(ii) Participating Insurance Intermediaries will be required by Zep-Re to have a grievance mechanism to receive, register, screen and assess, track, respond to, and act on external inquiries and complaints from the public regarding their operations.</p>	<p>(i) Throughout Project Implementation.</p> <p>(ii) Throughout Project Implementation</p>	<p>(i) Zep-Re</p> <p>(ii) Zep-Re and Participatory Insurance Intermediaries.</p>

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
CAPACITY SUPPORT			
(iii)	Zep-Re will provide training to its staff and its insurance intermediaries as per the ESMS and ESMS Guidance Note on: <ul style="list-style-type: none"> • ESMS • Use of environment & social screening form included in the ESMS Guidance Note • Addressing child and forced labor in pastoral activities • Addressing risks related to GBV during operation • Addressing environmental aspects of pastoral activities • Stakeholder engagement 	Throughout Project Implementation	Zep-Re