

INTEGRATED SAFEGUARDS DATA SHEET
INITIATION/CONCEPT STAGE

Report No.: **99112**

Date ISDS Prepared/Updated: 7/20/15

I. BASIC INFORMATION**A. Basic Project Data**

Country:	Albania, FYR of Macedonia, Serbia, Bosnia and Herzegovina	Project ID:	P156455
Project Name:	Southeast Europe Catastrophe Risk Insurance Facility TA (SEE CRIF TA)		
Task Team Leader:	Eugene Gurenko		
Estimated Date of Approval:	September 15, 2015		
Managing Unit:	GFMDR	Lending Instrument:	Grant
Sector(s):	Non-compulsory pensions, insurance and contractual savings (70%); General water, sanitation and flood protection sector (30%)		
Theme(s):	Other financial and private sector development (50%); Natural disaster management (30%); Climate change (20%)		
Fragile and/or Capacity Constraints [None]			
Financing (in USD Million)			
Total Project Cost:	\$4.12 million (USD)	Total Bank Financing:	0
Total Co-financing:	\$4.12 million (USD)	Financing Gap:	0
Financing Source: Swiss State Secretariat for Economic Affairs (SECO)			Amount
BORROWER/RECIPIENT			\$4.12 million (USD)
Total			\$4.12 million (USD)
Environmental Category	C - Not Required		
Is this a Repeater project?	Yes		
Is this a Transferred project?	No		

B. Project Objectives

The Project Objective is to help increase the access of homeowners, farmers, the enterprise sector and government agencies to financial protection from losses caused by climate change and geological hazards by enabling Europa Re, a catastrophe and weather-risk reinsurance facility, to scale up existing

project activities and expand program operations to Bosnia and Herzegovina.

C. Project Description

SEE CRIF is a catastrophe and weather-risk insurance program, which enables easy access to innovative weather and earthquake risk insurance products for consumers in participating countries. The main design features of program closely follow the previous prototypes of national and regional catastrophe and weather-risk programs developed with direct technical and capital assistance from the Bank – the Turkish Catastrophe Insurance Pool, the Romanian Catastrophe Insurance Pool and the Caribbean Catastrophe Risk Insurance Facility. However, the program contains several innovations. These include (i) the development of both traditional indemnity type catastrophe insurance products and parametric index-based weather risk hedging contracts; (ii) private management and governance of the Facility; (iii) a sunset clause for the duration of government participation in the program; and (iv) the openness of the Facility to a wider range of clients, inclusive of households, farmers, government agencies and the enterprise sector exposed to weather risk.

To implement the SEE CRIF program in Southeast Europe, three countries of the region (Albania, FYR of Macedonia and Serbia) established Europa Reinsurance Facility Ltd. (Europa Re), a specialized regional property catastrophe reinsurer. Europa Re was incorporated under Swiss Law in Zug, Switzerland in November 2009 and was licensed as a reinsurer in 2014 by FINMA, the Swiss Financial Markets Regulator.

Under this TA project that supports the continuation of SEE CRIF program, Europa Re will be scaling up the ongoing project activities in the member states and expanding the offering of innovative catastrophe insurance products and services to Bosnia and Herzegovina. Activities will include the development of new insurance products, technical assistance to supervisors, risk modeling, further development of market infrastructure to support online sales, extension of the existing IT platform for new insurance partners in 4 country markets, as well the development of mass retail mechanisms linked to alternative distribution channels (such as mobile phone operators, international wire transfer services providers and utilities).

The proposed project is a replenishment of the SEE CRIF trust fund with additional SECO funding of US \$4.12 million. Thus far, technical assistance for the SEE CRIF program has been supported by a US\$4.45 million grant from the Swiss State Secretariat for Economic Affairs (SECO) (P117069), a US\$5.5 million grant from the GEF (P123896), and a US\$0.15 million grant from GFDRR (TF12450). Although most of funds under the existing SECO grant has been disbursed, it has been extended till December 31, 2018 to accommodate the new funding. The ongoing GEF grant is scheduled to close at the end of 2015 with all the funds fully disbursed.¹

In terms of country membership contributions to Europa Re, in 2008, the World Bank Group Board approved a DRMAP loan to Albania to finance their membership contributions to Europa Re. On March 3, 2011, the World Bank Group Board also approved the first phase of SEE CRIF (APL1) which consisted of IBRD loans to Serbia and FYR Macedonia.

¹ Of the previous SECO \$4.45 million grant, all of the funds have been disbursed with the exception of \$260k, which was retained in a VAT reserve. On June 15, 2015, Swiss Federal Tax Authority (SFTA) informed Europa RE that services acquired with project funds are not subject to VAT. The \$260k will be released and added to the new grant amount.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

NA

E. Borrowers Institutional Capacity for Safeguard Management

NA

F. Environmental and Social Safeguards Specialists on the Team

NA

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered ?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A. Will an Appraisal stage ISDS be required?

No as none of aforementioned safeguard policies apply to this project.

B. Time frame for launching and completing the safeguard-related studies that may be needed.

NA

C. The specific studies, their timing and disclosure should be documented in the appraisal-stage ISDS.

NA

IV. APPROVALS

Task Team Leader:	Name: Eugene Gurenko	
<i>Approved By:</i>		
Regional Safeguards Advisor:	Name: Agnes I. Kiss	Date: 7/29/2015
Practice Manager:	Name: Alison Harwood	Date: 8/20/2015

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.