



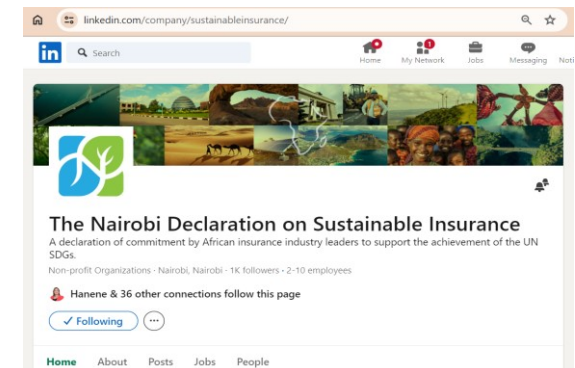
Nairobi Declaration on Sustainable Insurance



THE NAIROBI
DECLARATION ON
SUSTAINABLE
INSURANCE

The NDSI – NAIROBI DECLARATION ON SUSTAINABLE INSURANCE

- NDSI is a declaration of commitment by African insurance industry leaders to support the achievement of the UN Sustainable Development Goals.
- The Declaration was formally launched at the UNEP PSI's 4th Africa summit hosted by ICEA LION Group as a founding signatory in Nairobi in April 2021.
- Together with 11 other institutions, signatories to the Declaration sought to bring together senior leaders to accelerate solutions to major sustainability challenges – ranging from climate change and ecosystem degradation to poverty and social inequality – particularly in a post-Covid-19 world.
- Since its launch in 2021, FSD Africa has taken to supporting the Declaration through a series of events and thought leadership engagements as it encourages more institutions to sign up.



Climate and nature-related risks dominate the WEF Global Risk Register

Top 5 Global Risks in terms of likelihood

	2019	2020	2021	2022	2023
1	Extreme weather	Extreme weather	Extreme weather	Climate action failure	Failure to mitigate climate change
2	Climate action failure	Climate action failure	Climate action failure	Extreme weather	Failure of climate change adaptation
3	Natural disasters	Natural disasters	Human-made environmental damage	Biodiversity loss	Natural disasters and extreme weather
4	Data fraud or theft	Biodiversity loss	Infectious diseases	Social cohesion erosion	Biodiversity loss
5	Cyberattacks	Human-made environmental disaster	Biodiversity loss	Livelihood crises	Large scale involuntary migration

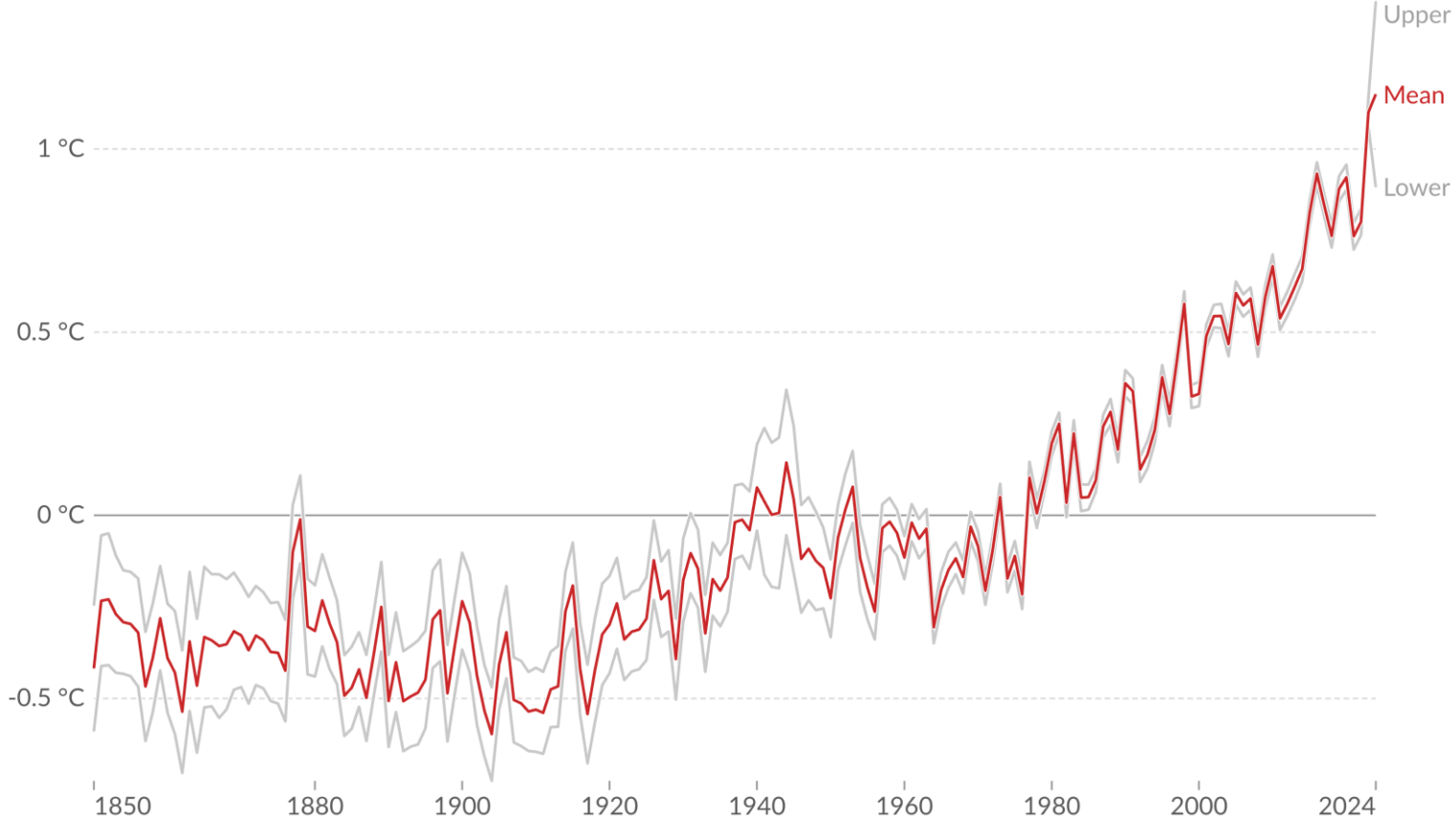


■ Economic
 ■ Environmental
 ■ Geopolitical
 ■ Societal
 ■ Technological

Global temperature rise

Average temperature anomaly, Global

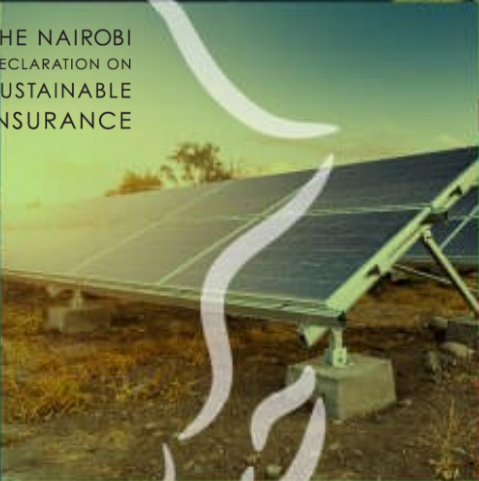
Global average land-sea temperature anomaly relative to the 1961-1990 average temperature.



Data source: Met Office Hadley Centre (2023)

OurWorldInData.org/co2-and-greenhouse-gas-emissions | CC BY

Note: The gray lines represent the upper and lower bounds of the 95% confidence intervals.



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“ NDSI aspires to a sustainable, prosperous and resilient Africa supported by a strong and vibrant insurance industry ”

- Vision of the Nairobi Declaration for Sustainable Insurance

The NDSI – ACTION POINTS



- Risk Management**
 - Advance the assessment, management and disclosure of climate change-related risks and opportunities, building on the PSI's project to pilot the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).
 - Advance the assessment, management and disclosure of environmental, social and governance (ESG) risks and opportunities across all lines of business (non-life, life & health, pensions), building on the PSI's ESG guide for non-life insurance business and other PSI guidance on specific sustainability issues (e.g. illegal, unreported and unregulated fishing; plastic pollution, tobacco risks, UNESCO World Heritage Sites).
- Insurance**
 - Support the Insurance Sustainable Development Goals (Insurance SDGs) being developed by the PSI to harness insurance products and solutions to help achieve the SDGs.
 - Close the insurance protection gap by actively developing and promoting inclusive and innovative insurance solutions (including through insurtech and nature-based solutions) for households, businesses and governments in order to build resilient cities and communities as well as sustainable food and agriculture systems, among others.
 - Support the transition to a resilient, net-zero emissions economy, building on the work of the PSI to establish a Net-Zero Insurance Alliance.
- Investment**
 - Support the transition to a resilient, net-zero emissions economy, building on the work of the UN-convened Net-Zero Asset Owner Alliance.
- Policy, regulatory and industry engagement**
 - Engage with policymakers, regulators and industry associations on key sustainability issues for the African insurance industry, including through the work of the Sustainable Insurance Forum (SIF), International Association of Insurance Supervisors (IAIS), and Vulnerable Twenty Group of Ministers of Finance (V20).
- Sustainable insurance thinking and practices**
 - Promote the adoption and implementation of the four Principles for Sustainable Insurance across African insurance markets.
 - Enhance the knowledge and capacity of the African insurance industry on sustainable insurance.
 - Shape the sustainable insurance agenda in Africa and strengthen the global effort of insuring for sustainable development.

NDSI Objectives

NDSI has defined three 'objectives' with corresponding activity areas – through these priorities, we will develop and implement activities that support the different segments of the NDSI base



Targeted at Segment 1

01

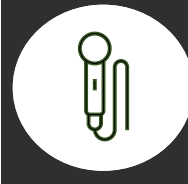
To build awareness & support for SI principles



Targeted at Segment 2 & 3

02

To integrate SI principles into core business



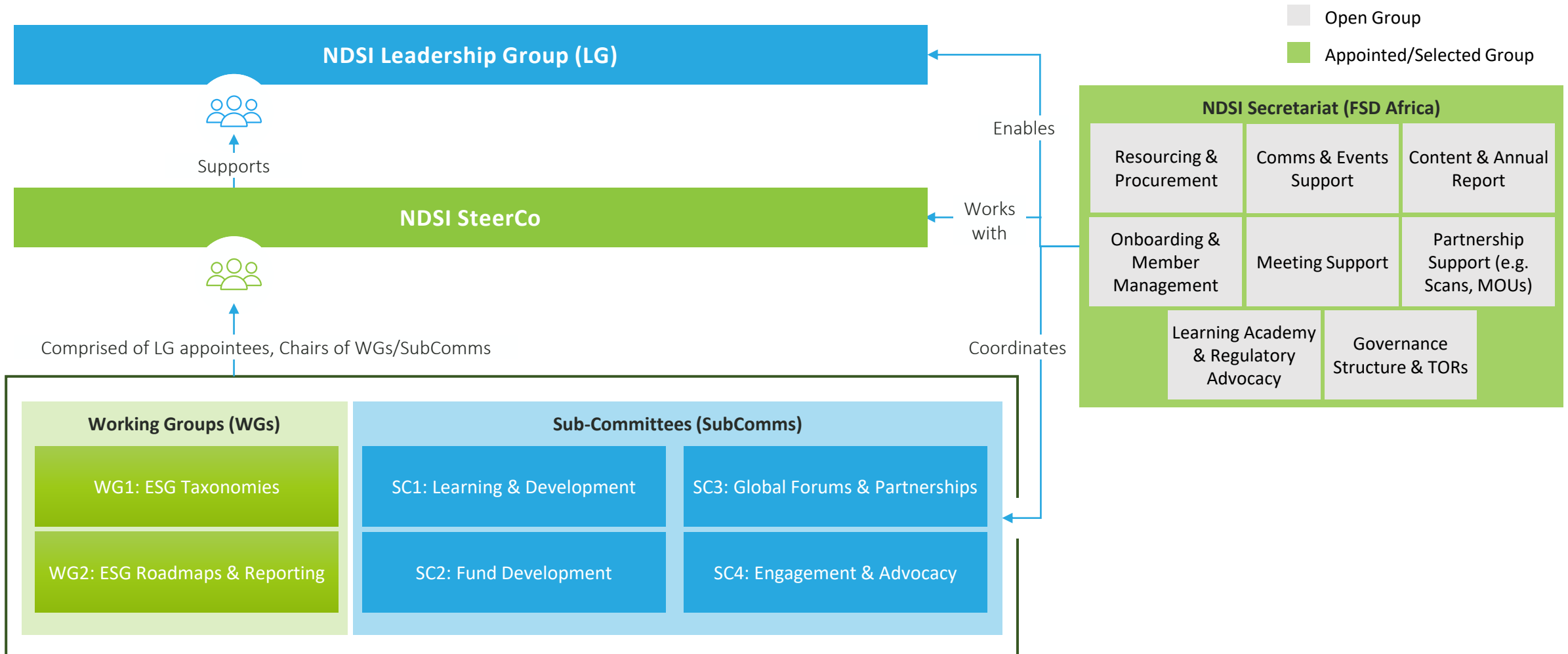
Targeted at Segment 2 & 3

03

To establish an 'African Voice' for SI

What do we propose the governance and implementation structure look like?

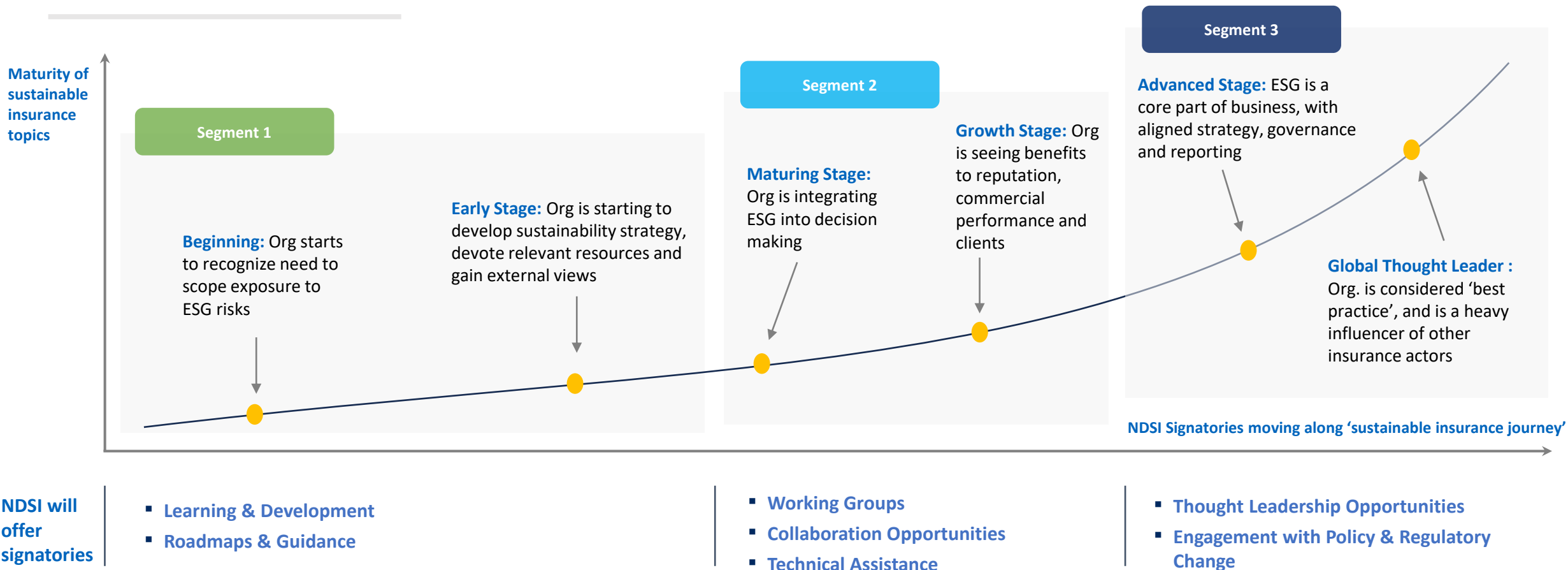
NDSI will maintain an informal structure, using a Leadership Group to drive strategic-level conversation, a SteerCo to coordinate the management of resources, and Working/Innovation Groups to dive into high-priority topics and projects.



NOTE: NDSI Secretariat boxes includes indicative 'tasks' (not 'roles'). Innovation will take place in two phases; first – through learning events organised through the Learning & Development SubComm, who will establish case-study and knowledge-sharing forums for interested members to discuss topics, and second, through the creation of topic-specific innovation working groups, through which members may tackle common problems in a specific area of innovation if sufficient interest is shown by a leading member (e.g data for disaster risk resilience). Policy & Regulatory Forums may be developed to cover topic or geographic-specific needs; this will be organised ad hoc by the Secretariat and Engagement & Advocacy SubComm.

NDSI Segmentation

NDSI will provide signatories with distinct offerings tailored to their existing maturity along the sustainable insurance journey; defining the 'steps', generating resources facilitating learning and creating partnerships



The Africa Climate Risk Insurance Facility for Adaptation (ACRIFA)

Africa Climate Risk Insurance Facility for Adaptation

The **Africa Climate Risk Insurance Facility for Adaptation (ACRIFA)** is a facility currently under design to mobilize **\$1 Billion** of concessionary, high-risk capital and grants to stimulate the development and uptake of targeted climate insurance solutions delivered through African primary insurers and regional reinsurers across the continent.

ACRIFA will:



Leverage the extensive network of primary insurers across the continent, to catalyze their collective network capacity for delivering efficiently targeted innovative insurance solutions to African Agri-Food Systems



Solve the client acquisition challenge through aggregation to improve uptake, achieve scale and support diversification of the risk portfolio



Support the design and scaling of climate insurance solutions covering a range of risks including production, extreme weather, pest infestations, financial credit, market prices, and the transition towards sustainable practices



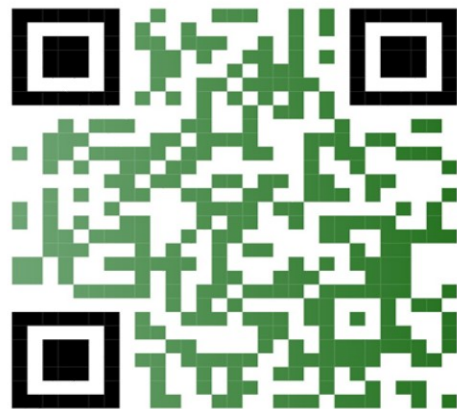
Invest in data, digital frameworks and skilled personnel and support the establishment of a conducive policy and regulatory landscape and the development of the value chain that interacts with the African insurance ecosystem



Channel global climate finance resources into climate insurance solutions which de-risk finance, accelerate climate adaptation and advance net-zero goals within the African agri-food system

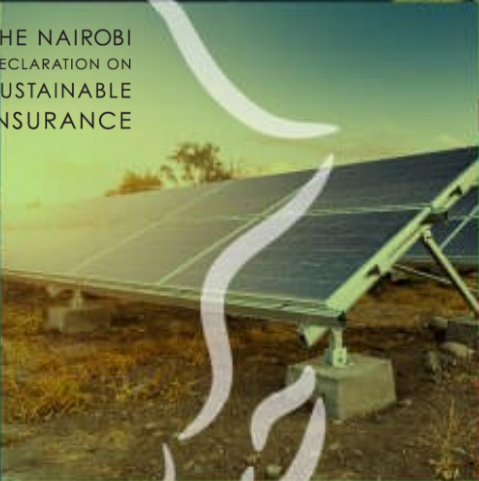
JOIN THE DECLARATION – BECOME A SIGNATORY

- We encourage CEOs and senior executives from insurers, reinsurers, brokers, insurance associations, regulators, and policymakers, as well as academia and civil society organisations to join us by committing to the 5 pillars or action points in this Declaration.



SCAN ME!





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