

United Nations-backed insurance industry initiative and network of local governments to create “Insurance Development Goals for Cities”

UN Environment’s Principles for Sustainable Insurance Initiative and ICLEI to set the global agenda on how insurers and cities could work together to shape a resilient and sustainable urban future

Bonn, 18 May 2017—The first-ever summit on insurance industry-city collaboration towards a resilient and sustainable urban future concluded with a set of ambitious goals.

The “Insuring Resilient and Sustainable Cities Summit” held on 5 May in Bonn, Germany was convened by UN Environment’s Principles for Sustainable Insurance (PSI) Initiative and ICLEI – Local Governments for Sustainability. The PSI, the largest collaborative initiative between the UN and the insurance industry, and ICLEI, the leading global network of more than 1,500 cities, towns and regions, joined forces in December 2016 to create the largest collaboration between the insurance industry and cities.

The main outcome of the PSI-ICLEI Summit was the “**Bonn Ambition**”, which aims to achieve three goals by June 2018, when ICLEI hosts its World Congress in Montréal, Canada. The Bonn Ambition is strategically linked to the 17 UN Sustainable Development Goals (SDGs):

1. **Create “Insurance Development Goals for Cities”**, which would harness the insurance industry’s triple role as risk managers, risk carriers and investors in the context of the SDGs, focusing on SDG 11—“Make cities inclusive, safe, resilient and sustainable”. The idea is for the PSI and ICLEI to convert SDG 11’s stated targets (see “Notes to editors” below) into Insurance Development Goals that would set the long-term global agenda for the insurance industry and cities.
2. **Develop city-level sustainable insurance roadmaps** to drive strategic approaches and collaborative action by insurers and local governments. This could be linked to the Insurance Development Goals for Cities, and would complement ongoing efforts to develop national sustainable insurance and finance roadmaps.
3. **Organize the first-ever roundtable of insurance industry CEOs and city mayors** at the 2018 ICLEI World Congress to accelerate global and local action. The Congress is held every three years and assembles hundreds of local governments and key stakeholders to set the course for globalizing urban sustainability.

Gino Van Begin, ICLEI’s Secretary General said, “Cities are on the front line of sustainable development challenges such as climate change and natural disasters. That’s why cities are working more and more with the insurance industry to better manage risk. We are delighted that the Insuring Resilient and Sustainable Cities Summit was a success and look forward to further shaping the global agenda for cities and the insurance industry through the Bonn Ambition.”

Butch Bacani, who leads the PSI at UN Environment, and who conceptualized and chaired the PSI-ICLEI Summit said, “The Bonn Ambition clearly supports the PSI’s vision of a risk-aware world, where the insurance industry is trusted and plays its full role in enabling a healthy, safe, resilient and sustainable society. We need ambitious and decisive action now—not in 2020 or 2030—to make the transformation to resilient and sustainable cities a reality. Time is non-renewable.”

The PSI-ICLEI Summit showed how the insurance industry could support cities as risk managers, risk carriers and investors. It explored various ways to close three key gaps in cities:

- **Closing the disaster risk reduction gap** – through catastrophe risk modelling, ecosystem-based adaptation, insurance loss data sharing, land-use planning, loss prevention, and disaster preparedness
- **Closing the insurance protection gap** – through insurance solutions for low-income people, SMEs, local governments and green technologies, including index-based insurance and usage-based insurance

- **Closing the financing gap** – through investments in sustainable infrastructure, energy, buildings and transportation, and instruments such as green bonds and catastrophe and resilience bonds

The Summit was sponsored by Munich Re, a founding PSI signatory, and supported by other PSI signatories such as Allianz, Risk Management Solutions and GIZ, as well as by city mayors and officials from ICLEI’s global network—from Iloilo and Honiara, to Copenhagen and Oslo.

Dr Michael Menhart, Head of Economics, Sustainability and Public Affairs at Munich Re, a PSI Board member said, “We are committed to implementing the UN Principles for Sustainable Insurance in our core business activities. By supporting the push for more resilient and sustainable cities, we can help turn the PSI into practice and make a contribution through our risk and resilience expertise. This is a great example of how the insurance industry can promote economic, social and environmental sustainability.”

Jed Patrick Mabilog, Mayor of Iloilo City in the Philippines said, “To survive and thrive, we need a whole-of-society approach to climate change adaptation and mitigation and disaster risk reduction. I fully support the Bonn Ambition and look forward to its implementation.”

The Summit was held as part of ICLEI’s 2017 Resilient Cities Congress, which convened more than 400 urban leaders and experts from government, business, academia and civil society to address key resilience and sustainability challenges and opportunities in urban environments worldwide. It was supported by the G7 Climate Risk Insurance Initiative (InsuResilience), which was launched in 2015 by the G7 under Germany’s Presidency.

Ingrid-Gabriela Hoven, Director-General for Global Issues at the German Federal Ministry for Economic Cooperation and Development (BMZ) said, “Working with the insurance industry and cities is crucial to achieving InsuResilience’s goal of providing access to insurance to an additional 400 million poor and vulnerable people by 2020. The Bonn Ambition is an important signal for enhancing climate resilience of cities.”

The Bonn Ambition was championed by **Ashok-Alexander Sridharan, Mayor of Bonn** and Co-Patron of the 2017 Resilient Cities Congress, in his concluding remarks at the Congress. The 2017 UN Climate Change Conference (COP23), which will be held under Fiji’s Presidency, will take place in Bonn this November.

Patricia Espinosa, Executive Secretary of the UN Framework Convention on Climate Change and Co-Patron of the 2017 Resilient Cities Congress said, “This landmark initiative by the insurance industry and cities is an excellent example of the type of ambition and leadership needed to achieve the goals of the Paris Climate Change Agreement. We look forward to strengthening our collaboration with UN Environment’s Principles for Sustainable Insurance Initiative and ICLEI to accelerate the transformation to a low-emission, climate-resilient and sustainable world.”

Andrew Leonard Mua, Mayor of Honiara City in the Solomon Islands, one of the most climate and disaster-vulnerable countries said, “No man is an island. Honiara needs to work with other cities and key stakeholders such as the insurance industry in shaping a resilient and sustainable urban future. We need to act urgently—the future is happening now.”

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Notes to editors

The need for resilient and sustainable cities

It is estimated that nearly 55% of people now live in urban areas. By 2050, two-thirds of the world's population will live in cities. Today, cities are responsible for 80% of global GDP. They also consume two-thirds of the world's energy and generate over 70% of global greenhouse gas emissions. Globally, 80% of the largest cities are vulnerable to severe earthquakes and 60% are at risk from tsunamis and storm surges. Increasing disasters due to rapid urbanization, poor land-use planning, unenforced building codes, lack of disaster preparedness, degraded ecosystems, and climate change have resulted in many lives, livelihoods and assets lost, wiping out many years of hard-won development gains. In this context, the global sustainable development agenda requires significant changes in the way cities are planned, designed, constructed and managed, and the way urban communities manage risk.

A preview of what a multi-stakeholder collaboration involving the insurance industry and cities can achieve was shown in October 2016 in Dar es Salaam, Tanzania. Cambridge Institute for Sustainability Leadership, ClimateWise, Global Infrastructure Basel, ICLEI Africa, Marsh, Munich Re, Sanlam, Santam and UN Environment's Principles for Sustainable Insurance Initiative joined forces to hold a pilot workshop with senior city officials and explored how insurers can support more risk-informed city decision-making, build resilience and promote sustainability in the context of infrastructure projects.

About ICLEI – Local Governments for Sustainability

ICLEI – Local Governments for Sustainability is the leading global network of over 1,500 cities, towns and regions committed to building a sustainable future. By helping the ICLEI Network to become sustainable, low-carbon, eco-mobile, resilient, biodiverse, resource-efficient, healthy and happy, with a green economy and smart infrastructure, we impact over 25% of the global urban population. www.iclei.org

About UN Environment's Principles for Sustainable Insurance Initiative

Endorsed by the UN Secretary-General and insurance CEOs, the Principles for Sustainable Insurance (PSI) serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities—and a global initiative to strengthen the insurance industry's contribution to building resilient, inclusive and sustainable communities and economies. Developed by UN Environment's Finance Initiative, the PSI was launched at the 2012 UN Conference on Sustainable Development, and has led to the largest collaborative initiative between the UN and the insurance industry. More than 100 organizations worldwide have adopted the four Principles for Sustainable Insurance, including insurers representing more than 20% of world premium volume and USD 14 trillion in assets under management. www.unepfi.org/psi

UN Sustainable Development Goal (SDG) 11: "Make cities inclusive, safe, resilient and sustainable"

SDG 11 targets:

- By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
- By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
- By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
- Strengthen efforts to protect and safeguard the world's cultural and natural heritage
- By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations
- By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
- By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities
- Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning
- By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels
- Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials