



African insurance industry leaders and UN Environment agree on key collaborative initiatives for sustainable development

Lagos/Geneva, 22 May 2019—African insurance industry leaders and UN Environment have agreed on key collaborative initiatives in the region to drive economic, social and environmental sustainability—in other words, sustainable development.

Earlier this month, the UN Secretary-General said that the work of the United Nations—in peace and security, in human rights, in development, in relation to climate change—can only succeed in the world—if it succeeds in Africa.

Under the auspices of [UN Environment's Principles for Sustainable Insurance Initiative \(PSI\)](#)—the largest collaborative initiative between the UN and the insurance industry—African insurance leaders and practitioners, together with climate change, disaster resilience and sustainability experts, convened in Lagos last 29-30 April for the [2nd PSI African Market Event](#). The purpose of what has now become an annual event is to share experiences and ideas to support the growth, resilience and sustainability of the African insurance industry, and to drive sustainable development.

The Lagos event was hosted by [Continental Re](#), the first African reinsurer to sign the PSI. It focused on three main sustainability issues in Africa: 1) closing the risk protection gap, 2) resilient cities, and 3) sustainable food systems and agriculture.

Participants agreed that there is a fundamental need to better demonstrate the value proposition of the insurance industry—as risk managers, insurers and investors—in addressing sustainability issues. And this value has to be communicated effectively to stakeholders—from individuals and households, to businesses and governments.

“The recent devastation wrought by Cyclone Idai, and now Cyclone Kenneth, is yet another wake-up call for the urgent need for action and collaboration to better manage risk and support sustainable development,” **said Dr Femi Oyetunji, Group Managing Director & CEO of Continental Re plc.** “The 2nd PSI African Market Event was a real success. We now have a set of concrete priorities for the next year to move from awareness to action, and achieve positive impact.”

As a practical example, leading Nigerian insurers agreed to engage with local government authorities in Lagos to explore the development of a “city sustainable insurance roadmap”—a strategy and action plan to help Lagos become resilient and sustainable. With over 21 million inhabitants, the bustling megacity of Lagos is the economic, financial and cultural heart of Nigeria, Africa’s largest economy and most populous country. Lagos is vulnerable to sustainability risks such as flooding, sea-level rise, coastal erosion, disease outbreak, energy insecurity, and infrastructure failure.

The idea to develop a Lagos sustainable insurance roadmap supports the aims of the [Insurance Industry Development Goals for Cities](#) developed by the PSI and ICLEI – Local Governments for Sustainability. The goals serve as a global action framework for the insurance industry to help make cities inclusive, safe, resilient and sustainable in line with [UN Sustainable Development Goal 11](#).



"The UN Sustainable Development Goals aim to deliver prosperity for all on a healthy planet, and are premised on the pledge to leave no one behind," **said Butch Bacani, who leads the PSI Initiative at UN Environment**. This is why the UN's work to achieve sustainable development in Africa is absolutely essential. And this is why the PSI is working together with the African insurance industry to tackle key sustainability challenges—from climate change, environmental degradation, pollution and disaster vulnerability; to social inequality, financial exclusion and health risks."

"We are pleased to see more and more African insurers and reinsurers demonstrating sustainability leadership, action and ambition," **added Bacani**.

As part of the need to develop better data and catastrophe risk models and enhance climate risk management, participants agreed to look into opportunities to develop flood maps for the capital cities of Lagos and Accra in West Africa, and for the Southeast African countries of Mozambique and Mauritius. If this is achieved, there was optimism that the initiative could be rolled out further on the continent to help governments, communities and insurers plan ahead and work together to reduce flood risk and build resilience. Furthermore, the group agreed to gather information on agricultural insurance schemes to develop a Pan-African approach to promoting sustainable food systems and agriculture.

The [inaugural PSI African Market Event](#) took place in Johannesburg in April 2018 and was hosted by [Santam](#), the first African insurer to sign the PSI.

"Sustainability issues such as climate change and environmental degradation are leading to diverse, interconnected and complex risks, but also present new opportunities for collaborative action to mitigate risk and improve physical and financial resilience," **said John Melville, Chief Underwriting Officer of Santam**. That is why we are delighted with the outcomes from the Lagos meeting and look forward to pressing ahead with addressing key sustainability issues across the continent."

"Whether it's the cyclones in Mozambique, the droughts and wildfires in South Africa, Ebola and malaria across the continent, or the floods in Lagos, there is no question that we must urgently meet the sustainability challenge," **added Dr Oyetunji**. Continental Re has also been promoting the aims of the PSI at its annual CEO Summit of African insurance industry leaders.

The 2nd PSI African Market Event in Lagos complemented the aims of the [inaugural PSI Egyptian Market Event](#) in Cairo last 9 April—the first of its kind in the Middle East & North Africa region. The PSI event in Cairo produced a pioneering initiative to develop a [national sustainable insurance roadmap](#) by 2020 to harness the triple role of the Egyptian insurance industry as risk managers, insurers and investors for sustainable development.

The 3rd PSI African Market Event will take place at Victoria Falls in Zimbabwe next year and will be hosted by Zimnat.



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About UN Environment's Principles for Sustainable Insurance Initiative

Endorsed by the UN Secretary-General and insurance industry 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 as risk managers, insurers and investors 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 is the largest collaborative initiative between the United Nations and the insurance industry.

www.unepfi.org/psi / Twitter: @PSI_Initiative

About Continental Re

Continental Reinsurance is a composite reinsurer that has been on the continent for more than 30 years, writing business in more than 50 countries across the African continent. Established in 1985, Continental Reinsurance provides support to over 200 insurance companies in Africa with its main offices in Nigeria, Cameroon, Kenya, Côte d'Ivoire, Tunisia and Botswana.

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