



Project Title

Supervision of ESG-related Risks in the Insurance Sector



Implementing Partner

Genesis Analytics



Donor

FCDO



Value (in £)

155,521



Implementation Period

Feb – Oct 2022



Countries Covered

Nigeria, Ghana, Kenya



Project Description

The overall objective of the project is to assess industry preparedness in addressing climate and environmental risks, capacity building and formulation of policies or regulations that address ESG risks. This will enhance transparency and maintenance of an appropriate approach to disclosure of ESG risks. The project is divided into three phases, where the first phase will focus on industry ESG assessment to determine the quantitative and qualitative industry exposure to physical, transition and liability risks. The second phase will focus on Capacity building of the industry stakeholders to will help the industry players and supervisors gain exposure on best practices in other jurisdictions. The last phase will then focus on development of policies/regulations that addresses the ESG risks.



Target Results

The project is looking at impacting low-income customers and medium and small enterprises by ensuring the availability of more affordable insurance products. This will, in turn, help to protect and increase jobs, availability, and accessibility of relevant insurance products and operations will allow people to access basic services (eg healthcare, deduction etc.), especially during shocks and crises. Through improving risk management of households and companies through comprehensive risk management and Transfer services of insurers, the project will contribute to protecting the long-term sustainability of businesses and households. The project will also impact supervisors and insurance companies with knowledge and capacity to implement ESG principles into the operations and governance of insurers.



Progress

We have delivered an ESG diagnostic report for Kenya, Ghana and Nigeria. The report is focused on understanding the status quo of ESG adoption by insurers and insurance regulators in the three focus countries. The report serves as an assessment of the current status and regulatory practices of insurance regulators in Nigeria in relation to ESG risks. Furthermore, it identifies key gaps in ESG integration as well as potential opportunities for regulatory intervention and action.

We are also supported the co-creation of ESG toolkits. The co-creation exercise entails workshops aimed at helping to formulate and implement proportional and fit-for purpose ESG supervisory instruments in the insurance sectors. This will help to build an enabling supervisory environment for ESG regulation and disclosure to promote effective and consistent supervision of the insurance industry



Contact

Elias Omondi – elias@fsdafrica.org