

**ESG INTEGRATION IN THE AFRICAN INSURANCE INDUSTRY**  
**TERMS OF REFERENCE (TOR)**

## 1. About FSD Africa

[FSD Africa](#) is a specialist development agency funded through UK Development operating in more than 30 countries, working to help make finance work for Africa's future. FSD Africa's team of financial sector experts work alongside governments, business leaders, regulators, and policymakers to achieve policy and regulatory reform, capacity strengthening, and improving financial infrastructure, to address systemic challenges in Africa's financial markets.

Since 2017, the organisation's strategy has evolved to prioritise solutions to Africa's most critical challenges: economic, social, and environmental. The organisation has worked to promote investment into the continent's green economy, as well as its rates of financial inclusion and gender equality. FSD Africa – previously known as Financial Sector Deepening Africa – was founded in 2012 and is based in Nairobi, Kenya.

## 2. Introduction

Insurance companies, as risk managers, insurers, and investors, have a key role in building resilient, inclusive, and sustainable economies on a healthy planet. To date, that role has been limited in Africa.

In response to this, the [Nairobi Declaration on Sustainable Insurance \(NDSI\)](#) was co-launched by ICEA Lion and UNEP in April 2021. The vision was to harness the collective financial might of the African insurance industry towards creating a sustainable, prosperous, and resilient Africa. NDSI has since grown to become a member-led initiative with over 260 signatories from 36 countries.

FSD Africa is one of the founding signatories of the NDSI, reinforcing its dedication not just in word but in action. Furthermore, FSD Africa acts as the NDSI's secretariat, a position from which it steers efforts, fosters synergies, and tracks advancements within the industry. This strategic involvement of FSD Africa is instrumental in ensuring that the aspirations encapsulated in the NDSI are translated into measurable impact, thereby steering the African insurance sector towards a future aligned with global sustainability targets.

In 2024, the NDSI Leadership Group approved a new strategy to guide NDSI towards achieving its vision. FSD Africa is seeking to contract a firm or group of firms ("the Consultant") to provide core programming and relationship support for implementing key aspects of the NDSI strategy.

## 3. Background

The current NDSI strategy is to simultaneously move large numbers of members towards greater sustainable insurance maturity via a segmented capacity-building approach.

To support this segmented capacity-building approach, the NDSI risk carrier signatories (i.e. insurers and reinsurers) have been divided into three broad segments representing different stages of the sustainability journey:

- I. Early stage: Looking to take first steps on ESG
- II. Maturing: Have started to integrate sustainable insurance principles into the business, but still learning
- III. Advanced: Implementing a sustainability strategy aligned with governance, targets and reporting

The broad capacity-building approaches that NDSI have identified for each segment are as follows:

- Segment I: Learning and development through webinars, knowledge materials and toolkits.

Eventually the ambition is to create an online NDSI Academy.

- Segments II & III: Working groups and technical assistance.

This consultancy is intended to support these various capacity building activities as well as some of the broader work of NDSI.

#### **4. Scope of Work**

The Consultant's Scope of Work is outlined against the activities and outputs below in various workstreams.

##### **4.1. Workstream 1: Learning and Development**

The primary focus of this workstream is segment I signatories who form 90%+ of the NDSI members. Deliverables will include:

- **Output 1: Capacity Building on Sustainable Investments for Insurers**

This output will focus on enhancing insurers' capacity to integrate Environmental, Social and Governance (ESG) considerations into their investment portfolios, in line with global and African sustainable finance frameworks. The aim is to support NDSI members in shifting their investment strategies toward more responsible, resilient, and profitable long-term outcomes.

**Activities and Deliverables:**

**I. Curriculum and Training Series on Sustainable Investing in Insurance**

**II. Investment Readiness Toolkit**

A practical guide tailored for African insurers on:

Identifying investable sustainable assets (e.g., green bonds, infrastructure, nature-based solutions), ESG risk-return analysis and due diligence, portfolio-level sustainability performance metrics and reporting.

**III. Case Study Compendium**

A collection of African and global examples of insurers deploying capital into:

- Climate mitigation and adaptation projects.
- Resilient infrastructure.
- Nature-positive investments.

##### **4.2. Workstream 2: Technical Assistance**

The Consultant will provide bespoke technical assistance (TA) to 10 African Insurance companies. The exact scope of the TA for each company will be determined by their specific ESG maturity needs. FSD Africa has requested Expressions of Interest from African insurance companies that are looking for such technical assistance in integrating sustainable insurance principles into their business operations, and these proposals will be made available to the Consultant.

The scope of TA will be determined for each company together with the Consultant, but will not go beyond the following two areas:

**1. Facilitate ESG Strategy Development and Implementation**

- Support insurance companies in establishing or enhancing their ESG strategies and frameworks, aligning with international best practices and addressing regional challenges.
- Provide technical assistance to insurers in implementing ESG strategies that integrate

sustainable practices into core business functions.

- Conduct capacity-building workshops to equip insurance companies with the skills and knowledge necessary for the effective internalisation of ESG principles.

## 2. Strengthen ESG Opportunity Development

- Support insurance companies in developing specific ESG products, ensuring these products are robust, feasible, and scalable.
- Guide firms in integrating ESG considerations into new product lines, particularly in areas such as disaster risk, agriculture, and sustainable investments. These products will be used as case studies within the NDSI learning framework.

The phases of the TA programme are likely to include the following:

### 1. Evaluation

- Evaluation and selection of the 10 insurance companies together with FSD Africa

### 2. Insurer Set-up

- Establishing core working teams and governance with each insurer
- Conducting baseline ESG assessments
- Engaging key stakeholders
- Agreeing specific objectives and workplan with milestones
- Setting KPIs

### 3. Implementation

- Capacity building and training (consultant)
- Implementation according to the workplan (insurer)
- Ongoing technical support (consultant)
- MEL, including reporting against Project and ToR milestones and KPIs

### 4. Conclusion and evaluation

- Stocktake of progress and key learnings
- Identification of next steps and future priorities
- Production of final materials, e.g. case studies

We invite Consultants to propose timelines and levels of technical support for each of these phases.

Deliverables for this workstream include:

- **Output 1:** A series of case studies from the TA programme experience

## 4.3. Workstream 3: NDSI Strategy Implementation Support and Communication

The third workstream will be focused on scaling and expanding the activities of NDSI:

- **Output 1:** A series of strategic communications supports for NDSI.

The Consultant will provide input to the communications strategy; develop a quarterly NDSI newsletter; co-develop concept notes for forward programme of high-impact, thought-provoking events, both

internal and external, with FSD Africa/NDSI secretariat (e.g. NDSI Roadshows/roundtables, events with insurance associations, regional conferences/COPs); support with the planning and logistics for events such as writing proposals, identifying and inviting speakers, developing speaker notes, invites and promotional materials; support FSD Africa to maintain a regular flow of interesting, impactful content for NDSI social media channels and website including identifying opportunities and developing content; draft targeted editorials/op-eds in conjunction with FSD Africa's Strategic Communications team and press office agency; provide input on press releases/media pitches/FAQs and support with the dissemination through the consultant's own channels and networks (including media lists).

## **5. Management**

The management of this consultancy will be overseen by FSD Africa's Senior Manager, Climate Finance, within the Adaptation and Resilience team. The consultant will collaborate closely with stakeholders, including NDSI working groups and insurance company leaders, to ensure that the ESG Technical Assistance is delivered effectively and in accordance with the program's strategic direction. Regular progress reviews and coordination meetings will be conducted to maintain alignment with the program's goals, facilitate transparent communication, and adapt to the evolving needs of the sector.

## **6. Duration of the assignment**

The Technical Assistance for integrating Environmental, Social, and Governance (ESG) practices within selected insurance companies and NDSI is envisaged to be implemented over a period of 12 months with the possibility of an extension. This duration accommodates the multifaceted nature of the work. It will conclude with a phase of monitoring, evaluation, and reporting to ensure that the ESG initiatives are not only implemented effectively but also poised for systemic impact. This timeline reflects our commitment to achieving lasting ESG integration that aligns with the overarching goals of the NDSI and the sustainable development aspirations of the African insurance sector.

## **7. Invitation to Tender**

FSD Africa is inviting proposals from suitably qualified consultants. Your proposal should contain:

- i. CV of the consultant(s) not exceeding 3 pages.
- ii. A summary of your experience in demonstrated expertise on ESG issues, including: ESG strategy development, product development, and sustainable investments in the insurance sector.
- iii. A description of your understanding of the role of the selected consultant(s) as outlined in the Terms of Reference, highlighting how you intend to provide the services within the suggested timeline.
- iv. Samples of similar work are needed to demonstrate the capacity to carry out the assignment, as well as testimonials from previous clients and/or employers.
- v. An estimated budget for both professional fees and reimbursable expenses- see Annex 1

Submitted proposals should not exceed 10 pages (excluding annexures). The review will be based on the main proposal. This should be sent by email to FSD Africa at [bids@fsdafrica.org](mailto:bids@fsdafrica.org) by noon (EAT) on **28th August 2025** under a subject line reading 'Invitation to tender: **ESG Integration in the Insurance industry**'. Applications received after the deadline will not be considered.

## 8. Basis of Award

The selection criteria for the consultant will be based on the following:

| Assessment criteria   | Weighting (%) |
|---|---------------|
| Proven experience in the design of Sustainable Insurance products. The consultant should have undertaken at least 4 comparable assignments on ESG in the insurance sector in the last 10 years.   | 20 %          |
| Relevant qualifications in insurance, actuarial science, development studies, risk management, project management or any other related field.   | 20%           |
| Understanding/interpretation of the task set out in the terms of reference including detailed work plan   | 20%           |
| Supplier's demonstration of sustainability value add:<br><br>Bidders that demonstrate localisation, gender, environmental and ethical considerations will be assigned merit points/scored favourably compared to their competitors.<br><br>Localisation: demonstrated use of African based consultants - <b>5%</b><br><br>Gender – prioritisation of women & underrepresented groups - <b>5%</b><br><br><b>(Please provide evidence where applicable)</b>               | 10%           |
| Fee basis and total costs.<br><br>Most economically advantageous tender, where the computation will be based using the below formula.<br><br>$FS = 30\% \times LB/BP$ where:<br><br>FS = is the financial score<br><br>LB = is the lowest bid quoted<br><br>BP = is the bid of the proposal under consideration.<br><br>The lowest bid quoted will be allocated a maximum score of 30%.<br><br><b>The fee quoted must be inclusive of applicable withholding taxes.</b> | 30%           |
| <b>Total</b>  | <b>100%</b>   |

## 9. Contact

Questions or comments in respect of these terms of reference should be directed by email to [bids@fsdafrica.org](mailto:bids@fsdafrica.org) on or before **12 noon (EAT) 20<sup>th</sup> August 2024**, and feedback will be provided by **5 pm (EAT) 22<sup>nd</sup> August 2024**.

## 10. Applicable Taxes

As per Kenya's tax law, FSD Africa will pay the Consultant after withholding the appropriate taxes at the applicable rate between Kenya and the Consultant's country of tax residence, considering any tax treaties in force. It is the responsibility of the Consultant to keep themselves apprised of these applicable taxes. The table below provides guidance on the applicable rates as per tax regimes.

| Country  | WHT Rate |
|--|----------|
| Kenya  | 5%       |
| United Kingdom   | 12.5%    |
| Canada   | 15%      |
| Germany  | 15%      |
| India  | 10%      |
| Non-resident rate for citizens of EAC member countries | 15%      |
| All other countries                                    | 20%      |

**Annex 1: Proposed Fee Schedule**

Costs should be shown separately in the format set out below. Fees proposed by tenderers should be inclusive of all taxes

| <b>Consultancy fees*</b>   | <b>Days</b> | <b>Fee (USD/GBP)</b>  | <b>Total USD/GBP</b> |
|--|-------------|-----------------------|----------------------|
| Xx   |             |                       |                      |
| Xx   |             |                       |                      |
| <b>Total remuneration</b>  |             |                       | <b>0.00</b>          |
|  |             |                       |                      |
| <b>Reimbursement costs**</b>   | <b>Unit</b> | <b>Cost (USD/GBP)</b> | <b>Total USD/GBP</b> |
| Xx   |             |                       |                      |
| Xx   |             |                       |                      |
|  |             |                       |                      |
| <b>Total reimbursement cost</b>  |             |                       | <b>0.00</b>          |
|  |             |                       |                      |
| <b>Total proposed costs</b>  |             |                       | <b>0.00</b>          |
| <i>*Fees incl of all taxes</i>   |             |                       |                      |
| <i>**Expenses to be reimbursed on actual costs as per FSD Africa's travel policy</i> |             |                       |                      |