



African Reinsurance Corporation  
Société Africaine de Réassurance

17 June 2021

## Request for Proposal: Sustainability (Environment, Social and Governance) Consultancy Services

### 1. Introduction

The African Reinsurance Corporation ("Africa Re" or "the Corporation") is an international organization with headquarters in Lagos, Nigeria, and with a dual commercial and developmental mandate focused on the African insurance sector.

Africa Re has six regional offices: Casablanca (Morocco), Abidjan (Côte d'Ivoire), Nairobi (Kenya), Lagos (Nigeria), Cairo (Egypt) and Ebène (Mauritius). In addition, Africa Re wholly owns three operating subsidiaries, namely: Africa Re South Africa Limited (Johannesburg, South Africa), Africa Retakaful Company (Cairo, Egypt) and Africa Re Underwriting Agency Limited (Dubai International Financial Centre, United Arab Emirates). The Corporation is an admitted reinsurer in Brazil and has contact offices in Addis Ababa (Ethiopia) and Khartoum (Sudan) with an additional Underwriting Representative Office in Kampala (Uganda). Africa Re has a fully registered foundation (Africa Re Foundation) based in Ebène (Mauritius) that oversees all Corporate Social Responsibility initiatives.

The Corporation, created by a multilateral agreement in 1976, is owned by 41 member states of the African Union (AU), the African Development Bank (AfDB), 113 African insurance and reinsurance companies and three leading global insurance and reinsurance groups.

The financial strength and credit rating of the Corporation is "A" by A.M. Best and "A-" by Standard & Poor's. The Corporation is the only pan-African reinsurer to be so highly rated.

### 2. Project Background

The Corporation has existing policies, procedures and guidelines to handle some sustainability initiatives using underwriting guidelines, investment activities, compliance checks, due diligence

measures, stakeholder agreements, procurement processes, governance practices, risk culture and grievance mechanisms.

However, it is now imperative that these initiatives be enhanced, codified and aligned with international best practice, especially given the increasing focus on sustainability issues driven by Environmental, Social and Governance (ESG) considerations together with their material impact on long-term financial performance.

Africa Re is undertaking this project to consolidate all existing and potential sustainability commitments under a well-defined policy framework that is easily monitored, regularly refined and appropriately reported. The designation of a common framework will improve the efficiency of the ESG activities.

It will be critical to ensure that the outcome of this exercise aligns with the United Nations Sustainable Development Goals (SDGs) and other applicable international best-practice measures.

### **3. Project Objectives**

The Corporation's objectives for undertaking this exercise, which are expected to be fully met through the engagement of the consultant, include:

- i. To consolidate and codify all existing sustainability initiatives.
- ii. To develop a formal framework for sustainability activities.
- iii. To identify stakeholders and business partners on our sustainability journey.
- iv. To develop a formal Sustainability Statement for the Corporation.
- v. To align the Corporation's sustainability activities, initiatives, documentation, reporting and performance metrics with applicable standards and international best practice.
- vi. To establish performance metrics for sustainability activities and initiatives especially across different functions in the Corporation that will drive ownership and accountability for our sustainability efforts.
- vii. To underscore the importance of sustainability among the various stakeholders of the Corporation.

- viii. To review our underwriting and other operating activities across different lines of business and develop an internal sustainability classification with recommendations on opportunities for growth into more sustainable business where necessary.
- ix. To propose a disclosure framework in line with the global sustainability standards.
- x. To embed ESG considerations into the policy framework, culture and governance structure of the Corporation.

## 4. Scope of Work

The following section highlights the different aspects of sustainability that Africa Re intends to consider.

### 4.1. Sustainability Coverage

As a stakeholder in the insurance industry, the sustainability mandate of the Corporation must align with the different aspects of its business including underwriting activities, investment activities, procurement activities, corporate social responsibility activities and other internal business areas (risk management, compliance management, human resource management, strategy management and overall corporate governance). In all, all areas relevant to ESG should be covered in this project.

The Corporation aims to be a signatory to some of the initiatives relevant to the industry. The core elements of these initiatives must reflect in the corporate sustainability framework to be developed under this assignment.

#### 4.1.1. United Nations Environment Programme (UNEP) Financial Initiative

##### 4.1.1.1. Principles for Sustainable Insurance (PSI)

According to **PSI**<sup>1</sup>, sustainable insurance is a strategic approach where all activities in the insurance value chain, including interactions with stakeholders, are done in a responsible

---

<sup>1</sup> [The Principles « UNEP FI Principles for Sustainable Insurance](#)

and forward-looking way by identifying, assessing, managing and monitoring risks and opportunities associated with environmental, social and governance issues. Sustainable insurance aims to reduce risk, develop innovative solutions, improve business performance, and contribute to environmental, social and economic sustainability.

Below are the four principles of sustainable insurance:

- i. We will **embed in our decision-making** ESG issues relevant to our insurance business.
- ii. We will **work together with our clients and business partners to raise awareness** of ESG issues, manage risk and develop solutions.
- iii. We will **work together with governments, regulators and other key stakeholders to promote widespread action** across society on ESG issues.
- iv. We will **demonstrate accountability and transparency in regularly disclosing publicly** our progress in implementing the Principles.

The PSI has also released a new **guide**<sup>2</sup> for managing ESG in the non-life (also known as property and casualty) insurance industry. This guide provides some insights into how to develop the ESG approach, establish ESG risk appetite, integrate ESG issues, define roles and responsibilities for ESG, escalate ESG risks, detect and analyze ESG risks as well as report ESG risks.

The Corporation aims to be a signatory to the “**Nairobi Declaration**”<sup>3</sup> on sustainable insurance that reinforces our commitment to the principles of sustainable insurance outlined above with a commitment to support the achievement of the sustainable development goals in risk management; insurance; investment; policy, regulatory and engagement as well as sustainable insurance thinking and practices.

---

<sup>2</sup> <https://www.unepfi.org/psi/wp-content/uploads/2020/06/PSI-ESG-guide-for-non-life-insurance.pdf>

<sup>3</sup> <https://www.unepfi.org/psi/the-nairobi-declaration/>

#### 4.1.1.2. Principles for Responsible Investment (PRI)

According to **PRI**<sup>4</sup>, we must act in the best long-term interests of the beneficiaries of our services. In this fiduciary role, we believe that ESG issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

Below are the six principles of responsible investment that are voluntary and aspirational:

- i. We will incorporate ESG issues into **investment analysis and decision-making processes**.
- ii. We will be **active owners and incorporate** ESG issues into our ownership policies and practices.
- iii. We will **seek appropriate disclosure** on ESG issues by the entities in which we invest.
- iv. We will **promote acceptance and implementation** of the Principles within the investment industry.
- v. We will work together to **enhance our effectiveness in implementing** the Principles.
- vi. We will **report on our activities and progress** towards implementing the Principles.

#### 4.1.2. Rating Agencies Guidelines

There are rating agencies' guidelines on how ESG should be incorporated into a rated entity's activities. Below are highlights from S&P and AM Best that should reflect in the final project outcomes.

##### 4.1.2.1. Standard and Poor's

S&P<sup>5</sup> has defined considerations of ESG in the financial strength and credit rating process in its draft communication to rated entities. They have identified a set of ESG credit factors

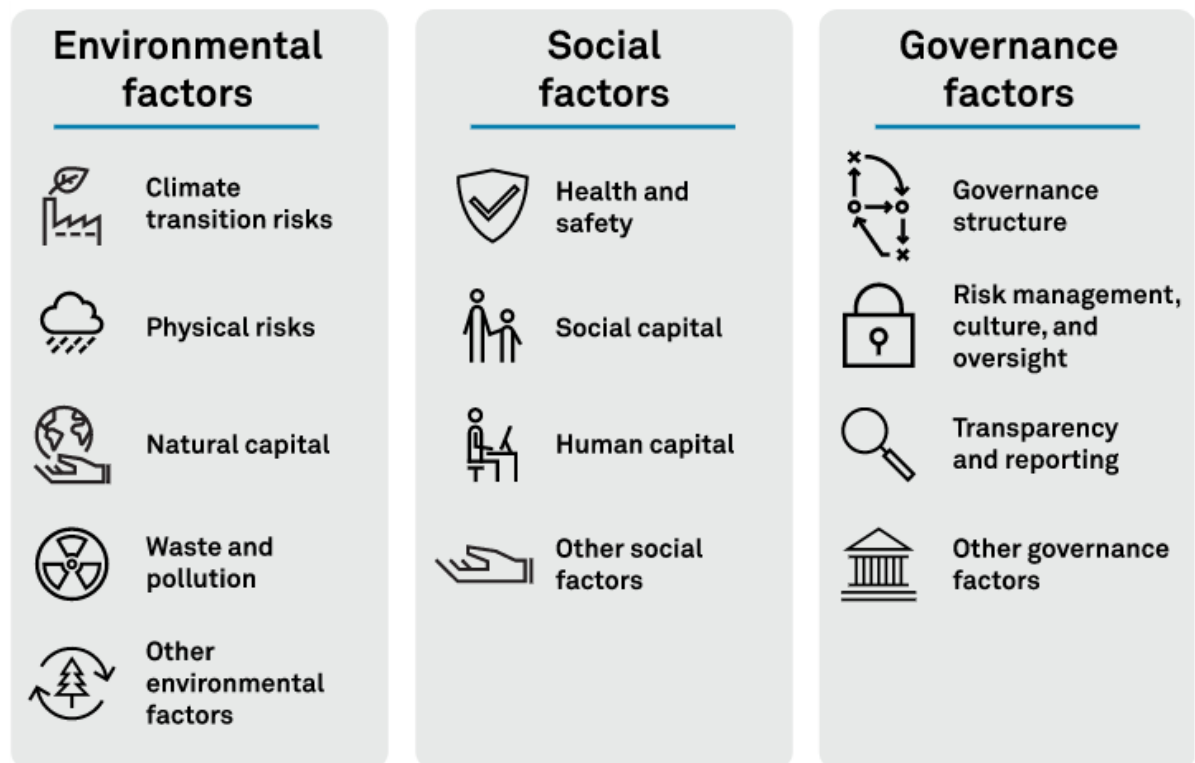
---

<sup>4</sup> [What are the Principles for Responsible Investment? | Other | PRI \(unpri.org\)](#)

<sup>5</sup> <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/2648611>

that can materially influence the creditworthiness of a rated entity. Below are examples of ESG credit factors as contained in the guidelines.

These credit factors can have a negative or positive impact on creditworthiness, depending on whether they represent a risk or an opportunity. The Corporate Sustainability Assessment (CSA<sup>6</sup>) framework defined by S&P should also be one of the guiding documents in defining the sustainability monitoring key performance indicators under this project.



ESG--Environmental, social, and governance. Source: S&P Global Ratings. Copyright © 2021 by Standard & Poor's Financial Services LLC. All rights reserved.

#### 4.1.2.2. AM Best

In the latest version of the Best's Credit Rating Methodology (BCRM<sup>7</sup>) released on 13 November 2020, ESG considerations have also gained prominence as they have now been

<sup>6</sup> [https://portal.csa.spglobal.com/survey/documents/CSA\\_Companion.pdf](https://portal.csa.spglobal.com/survey/documents/CSA_Companion.pdf)

<sup>7</sup> <http://www3.ambest.com/ambv/ratingmethodology/OpenPDF.aspx?rc=250950>

embedded into the existing rating blocks of balance sheet strength (climate-related and assets risks), operating performance (changes in portfolio mix; ESG-related litigations; the impact of social inflation; underwriting exclusions; underwriting process through risk selection, geocoding and other metrics; business profile (newer product and innovation opportunities) and enterprise risk management (governance and culture, catastrophe stress modelling and testing, reputational and operational risks).

#### **4.1.3. Other Guidelines**

There are also several industry groups not limited to the following, providing guidelines on sustainability and overall long-term value to the business. The relevant core concepts and outcomes of this project must reflect the spirit of these recommendations:

- i. Global Reporting Initiative and the Sustainability Reporting Standards
- ii. International Integrated Reporting Council
- iii. Sustainability Accounting Standards Board
- iv. United Nations Sustainability Development Goals

#### **4.2. Sustainability Disclosures**

This project will also cover the definition of our sustainability disclosures that must align with the adopted sustainability coverage as regards monitoring and reporting. The consultant is expected to define a sustainability strategy and relevant policies with relevant key performance indicators for disclosure. There will also be a consolidated disclosure template to be developed that will align with the needs of identified stakeholders in line with the global sustainability standards.

### **5. Deliverables and Project Duration**

This section covers the deliverables and expected duration of the project.

## 5.1. Deliverables

The expected tasks and deliverables required from the chosen consultant shall include, but not be limited to the following:

	Phases	Deliverables
1.	Sustainability Inventory	This is an inventory of all existing sustainability commitments of the Corporation. This can be found in existing agreements, policies, manuals, procedures and guidelines. This deliverable can be achieved using a blend of questionnaires, desk research and/or oral interview. The consultant is expected to define the "AS-IS" sustainability framework for the Corporation.
2.	Sensitization Workshop	Based on the definition of the "AS-IS" sustainability framework of the Corporation, this is a <b>half-day</b> sensitization session delivered to the proposed ad-hoc team and senior leadership of the Corporation on the key goals of sustainability and its overall importance for long-term value creation.
3.	Gap Analysis Assessment	Based on the defined "AS-IS" framework, a gap analysis is conducted to identify the areas of improvement for the Corporation based on the requirements from existing industry initiatives, rating agencies and the metrics from other relevant stakeholders. The gap analysis should also benchmark the Corporation with other major African re/insurers and selected global re/insurers.
4.	Sustainability Strategy	The outcome of the gap analysis can help define a sustainability strategy covering vision, strategic objectives, key performance indicators and strategic initiatives. It will cover underwriting, investment, procurement, corporate governance, corporate social responsibility and other business activities of the Corporation. The strategy should set out the priorities and provide an agreed framework for deploying resources, creating an impact and communicating results. An ESG strategy map and detailed balanced scorecard should also be provided including a relevant



		implementation roadmap to comply with all applicable extant guidelines.
5.	Sustainability Policies	To operationalize the strategy, the Corporation will need some sustainability policies and also improvements to other existing business policies to ensure the sustainability strategic mandate is realised. This will cover but is not limited to the underwriting manuals, investment policies, procurement manuals, shareholder agreements and many more where necessary. It is also necessary for the Corporation to develop a formal sustainability statement.
6.	Sustainability Impact Assessment	The sustainability strategy should also cover the impact of adopting the recommended initiatives to our business and the strategic options that should be considered to explore new opportunities. This will be followed with measures to address the issues.
7.	Sustainability Disclosure Framework	With the implementation of a sustainability strategy and policies, the Corporation will need to define a sustainability activity and disclosure framework that will fulfill the needs of all its stakeholders in line with the global sustainability standards. The project should also provide a sample sustainability report for the 2021 financial year as a guide for other years.
8.	Capacity Building Workshop	The consultant is expected to present the final report of the engagement to our senior leadership. A formal project sign-off report is also expected.

## 5.2. Project Timeline

The entire engagement should be completed within three (3) to four (4) months.

## 6. Presentation of Proposal

To facilitate the analysis of responses to this RFP, the responding vendors are required to prepare their proposals following the instructions outlined in this section. The firms/vendors

whose proposals deviate from these instructions would be considered non-responsive and may be disqualified at the discretion of Africa Re.

Proposals should be clear and comprehensive. It should provide a straightforward, concise description of the vendor's capabilities to meet the requirements of the RFP. Emphasis should be laid on accuracy, completeness and clarity of content. All parts, pages, figures and tables should be numbered and clearly labeled. The proposal should be organized into the following major sections:

### **6.1. Executive Summary**

This part of the response to the RFP should be limited to a brief narrative highlighting the consultant's proposal. The summary should contain as few technical details as possible and should be oriented towards non-technical personnel. The Executive summary should not include cost quotations.

### **6.2. Experience of the Consultant**

The consultant is expected to provide information to enable Africa Re to evaluate their stability, capability and ability. Africa Re may require additional documentation for clarification.

The consultant should demonstrate that they have undertaken similar works with other organizations comparable in nature, size and reputation. References, where existing, should be added as appendices.

*[Using the format below, provide information on each relevant assignment for which your organization has carried out projects similar to the one requested in this RFP especially in the insurance industry. Each assignment should not exceed a page.]*

<b>Project Name</b>	
<b>Project Duration</b>	
<b>Country</b>	
<b>Name of Client</b>	

Client's Contact Person	
Client's Contact Address	
Description of Engagement	
Project Management Approach	

### 6.3. Approach and Methodology

This section requires the consultant to detail how they intend to conduct the assignment and reach a desirable outcome. They are expected to explain their understanding of the objectives of the assignment, the approach to be adopted, the methodology to be applied/followed for providing the service and the expected output.

**NB: Due to Covid-19, the consultant shall adhere to all applicable international, national and local regulations and advisories governing travel, including safety, health and security measures in effect throughout the consulting engagement. It is expected that this will reflect in the plan as virtual consultations are possible and expected where in-person fieldwork is not possible.**

### 6.4. Work Plan and Duration

The main activities should be outlined here. The work plan should be consistent with the schedule for deliverables. The estimation of the duration of the consultancy should be indicated concerning the scope, approach and methodology.

### 6.5. Organization and Staffing

The proposed structure and composition of the team should be provided along with the list of the key expert responsible as well as other technical and support staff. The curriculum vitae / résumés of key consultants should be added as appendices. The consultant must select staff for the assignment based on the needs of the project. The résumés should, at the minimum, highlight the professional qualifications, certifications, number of years working for the firm and

other organizations, as well as the nature and degree of responsibility held in various past assignments.

## 6.6. Cost Quotations

All applicable cost elements relating to the engagement should be included in the proposal. If necessary, the cost quotations (excluding VAT and other taxes) can be itemized according to the services proposed and the deliverables.

## 6.7. Additional Information

The audited financial statements of the consulting company for the last three (3) years should also be included in the proposal with the following additional information.

Requirement	Response
How long has the company been in business?	
How long has the company been in business providing the proposed consulting services?	
Turnover of the company in 2019 and 2020	
The number of employees in the company.	
The total number of employees to be dedicated to this engagement.	

## 7. Technical Evaluation

The parameters to be used for technical evaluation are as follows:

	Criteria	Indicative Criteria	Weight
1.	Consultant's Organization	Brief description of the background and organization of the bidding company. A list of partners or Board of Directors and beneficial owners will also be appreciated.	10

2.	Specific Experience relevant to the Assignment.	Experience in the last five (5) financial years of providing ESG or Sustainability Advisory Services to the insurance industry.  (Note: List only those assignments for which the applicant was legally contracted by the client as a company or was one of the joint venture partners. Assignments completed by the consultant's individual experts working privately or through other consulting firms cannot be claimed as relevant experience. The applicant should be prepared to substantiate the claimed experience by presenting copies of relevant documents and references)	30
3.	Key Expert's Qualifications and Competence for the Assignment	General education, training, experience in the sector/similar assignment of key staff should be in line with the current market standards in the field of Sustainability.	25
4.	Approach and Methodology Work Plan: completeness, robustness of approach and quality of ideas or solutions proposed to address our needs.	Approach and Methodology demonstrated in technical proposal and presentation.	30
5.	Financials	Copy of duly certified Audited financial accounts for the last three years.	5

## 8. Clarification and Amendment

Clarifications can be requested by email only, up to five (5) business days before the date of submission of the proposal, using the Corporation's address indicated below. The subject of the email should read **"Clarification - Proposal for Environment, Social and Governance Consultancy Services"**.

Africa Re will respond by email to such requests. In the interest of fairness and level playing field, all responses to such queries will be shared with all firms that have signified their intention to submit a proposal. The responses will include details of the query but without identifying the source.

Email contact for clarification: [tender@africa-re.com](mailto:tender@africa-re.com)

## 9. Proposal Submission

The following guidelines are recommended for the submission of all proposals.

### 9.1. General Guidelines

The proposal can be submitted by email or in hard copies or both. The proposals to be submitted as hard copies must be in a sealed envelope and marked as **“Environment, Social and Governance Consultancy Services”** while those to be submitted by email should have the subject read **“Submission - Proposal for Environment, Social and Governance Consultancy Services”**.

Proposals should be received by Africa Re not later than **15 July 2021**.

Any proposal received by Africa Re after the submission deadline will not be considered.

#### **Hard copies submission address:**

The Chairman of the Tenders Committee  
African Reinsurance Corporation  
Plot 1679 Karimu Kotun Street Victoria Island PMB 12765 Lagos, Nigeria

Email submission address: [tender@africa-re.com](mailto:tender@africa-re.com)

## 9.2. Reserved Rights

Africa Re reserves the right, in its sole discretion, to take actions deemed in its best interest that may include any one or more of the following without incurring any liability to the affected bidder(s) or any obligation to inform the affected bidder:

- Accept or reject any, or all proposals in whole or in part at any time before engagement.
- Waive any minor irregularities or informalities in the proposal.
- Vary any timetable or schedule.
- Suspend or modify the engagement process.
- Negotiate the details of a proposal before engagement.

## 9.3. Ownership and Return of Proposal

All materials submitted in response to the request for proposals shall become the property of African Reinsurance Corporation and shall not be returned to the respondent.

Yours Sincerely?

**Dr. Corneille Karekezi**

**Group Managing Director / Chief Executive Officer**