Statement of Intent (SOI) for IAA Activities on UN Sustainable Development Goals (SDGs)

Approved by Council on 27 May 2023

Executive Summary

1. What are we proposing?

   The IAA is proposing to launch an initiative on the UN Sustainable Development Goals including a new Task Force, a series of papers and virtual events such as roundtables and webinars.

2. Why are we proposing this?

   Sustainability is an important topic for the well-being of society that is getting more and more public attention, including from key Supranational organizations outside of the UN bodies, and as such the IAA has a role to play.

3. What is the objective?

   - Engage with Supranational stakeholders on topics relating to selected SDGs.
   - Proactively prepare the profession to the challenges related to selected SDGs and advance the competency of the profession by creating awareness, facilitating knowledge sharing and educating actuaries.
   - Promote the role of the actuary and raise its image and profile in this wider field.

4. How will we reach this objective?

   - Create a new SDG Task Force (SDGTF)
   - Set the high-level direction for IAA activities, includes selecting the 4-5 most relevant SDGs to work on.
   - Develop activities with internal focus (gather information, identify topic deliverables with Advance Committee and create awareness via educational papers and events).
   - Develop externally focussed activities (environment scanning, create awareness with Supranational organizations, and develop work products addressing protection gaps)

5. When and how long?

   The SDGTF is anticipated to run to the end of 2024.

6. How much will it cost?

   It is estimated the cost of this project will be $20,000/year.
1. **Background**

The 2030 Agenda for Sustainable Development, adopted by all United Nations (UN) Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership.

They recognize that, in order to secure a sustainable future for humanity, ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

The 17 SDGs¹ are:

![Sustainable Development Goals](image_url)

The UN SDGs are a call to action to everyone. Various UN specialised agencies, for example the International Labour Organisation (ILO) and World Health Organisation (WHO), are amongst the key custodians of various SDGs (SDG 8 and SDG 3 respectively), however, as the issues being tackled by the goals are interlinked, most UN agencies touch on multiple SDGs.

In addition, several of IAA’s other key supranational partners such as the International Association of Insurance Supervisors (IAIS), the Access to Insurance Initiative (A2ii), the Organisation for Economic Co-operation and Development (OECD) and the International Sustainability Standards Board (ISSB) have already begun initiatives to support the SDGs.

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¹ A more complete description of the SDGs can be found here: [Sustainable Development Goals | United Nations Development Programme (undp.org)](https://www.undp.org/sustainable-development-goals)
2. **Link to the IAA Strategic Objectives, Vision and Mission**

The vision of the IAA is that the actuarial profession is globally recognised as leading experts in risk and financial security, contributing to the well-being of society. The SDGs are calling on all countries – be they upper, middle or low income – to make tangible improvements to the lives of their citizens. The goals encompass social, environmental and economic aspects to improve the wellbeing of society. These goals are well aligned with the vision of the IAA.

The Missions of the IAA include providing actuarial expertise on issues of global relevance to supranational institutions and advancing the competency of the profession.

A number of SDGs have direct implications for actuarial involvement through risk management, financial inclusion and financial protection.

The core actuarial skill set which includes strong modelling and analytical skills and the ability to pull together information from many disparate sources and see the connections, can be well applied in contributing to global, regional and country level initiatives to support the SDGs.

Actuaries are uniquely skilled in applying actuarial modelling, scenario analysis and sensitivity and stress testing methodologies to evaluate and place a cost on various types of risks in comparison with potential benefits. A key advantage of an actuarial approach, compared to many analyses that consider only expected outcomes, is to consider and assess the full distribution of risks as far as data and professional judgment allow.

Insurance solutions will have a key role to play in supporting the attainment of SDGs. This is because insurance plans and social security programs contribute towards building societal resilience to unexpected events including supporting risk identification, measurement and management and post event recovery. The a2ii has already developed a policy paper on Insurance and the SDGs\(^2\) which is a valuable reference for the IAA.

The IAA, as the voice of the actuarial profession globally, should proactively engage in supporting carefully selected SDGs (commensurate with the FMA support, the expected benefits vs costs for society at large and the IAA and considering available resources) to make the voice of actuaries heard in key issues relevant to the actuarial profession in the global effort towards achieving those SDGs.

3. **Purpose of the Proposed IAA Activities**

The main objectives of the proposed activities in the SOI are:

- a. Proactively engage with Supranational stakeholders on topics relating to selected SDGs, and provide actuarial perspectives and advice on topics of global relevance.

- b. Proactively prepare the profession to the challenges related to a. above and advance the competency of the profession by creating awareness, facilitating knowledge sharing and educating actuaries.

- c. Promote the role of the actuary in emerging wider fields and raise the image and profile of the actuary.

4. **Activities and timeline**

This SOI proposes the following list of IAA activities relating to SDGs:

**A. Set the high-level direction for IAA activities (see Appendix)**

i. Identify and agree on the 4-5 most relevant SDGs to work on and identify relevant IAA entities that could potentially contribute to the IAA activities.³ (Q3 2023)

ii. Develop recommended actions/next steps related to these SDGs including discussion papers, roundtable events on focused topics etc. (Q4 2023)

iii. This should be done via a time limited Task Force of delegates of interested FMAs and with Section representation, it should also be assessed if some of the content of ICA Sydney or related content such as the Young Actuaries World Cup could be relevant in this work.

**B. Activities with internal focus**

The initial focus will be more internal in terms of developing awareness within the profession and sharing experience on addressing SDGs.

i. Gather information on what the FMAs have been doing or are expecting to deliver on the relevant SDGs. (Q3 2023)

ii. Identify specific topic deliverables (based on FMA interest) that can be considered via the Advance Committee and the Forums (E.g., how Inclusive Insurance, Health, Social Security, General Insurance, Life etc. can contribute to addressing issues related to the selected SDGs) and propose a workplan. (Q4 2023)

iii. Create awareness and educate actuaries on the role of the actuary and how actuaries can contribute to achieving the SDGs (using educational papers, webinars podcasts etc.). (proposed 2024 EC objective)

**C. Activities with external focus:**

i. Scan the environment for potential engagements with Supranational stakeholders. (ongoing)

ii. Create awareness amongst Supranational stakeholders on the role of the actuary, and how actuaries can contribute to achieving the SDGs in various regions. (proposal by Q4 2023)

iii. Create awareness of the role of insurance, pensions, investment/asset management and social security as a macro-societal sustainability tool of risk mitigation (deliverable may be in the form of an educational paper targeting both actuaries and Supranational stakeholders - Q1 2024)

iv. Develop work products addressing protection gaps - identify where protection gaps exist or will likely develop/increase and their consequences; identify protection coverage gaps specific to private insurance and to public coverage, and provide suggestions as to ways of bridging the two; identify means to reduce protection gaps and raising awareness of sustainability risks, including identifying potential Private-Public Partnerships also considering potential mitigation options (work products may be a series of papers, complemented by webcasts and podcasts as appropriate – Q2 2024)

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³ For example, one FMA has focused on Good Health and Well-Being (3), Quality Education (4), Decent Work and Economic Growth (8), Reduced Inequalities (10), and Climate Action (13)
5. **Resources Needed**

The actual work is expected to be conducted through an appropriate combination of IAA groups and FMAs, working in collaboration. Joint projects with supranational stakeholders will be considered when appropriate. The timeline for this work is anticipated to run to the end of 2024.

It is anticipated that most of the work, if not all, will be done by using resources from the existing IAA entities\(^4\), or by creating smaller teams of 3 to 4 people, leveraging on work done or intended to be done by FMAs. Most work will be through email exchanges and conference calls.

Coordination and secretarial support will be required from the IAA Secretariat, but assuming the outputs can be staggered, it is expected the Secretariat will be able to plan and deliver this support accordingly. As progress is made, the IAA could be asked to present the result of its work to Supranational organizations, which may involve some travel expenses.

In summary, a significant increase in the IAA budget is not envisaged to support the proposed anticipated activities ($10,000 - $20,000 direct costs) and the indirect benefits are expected to far exceed such additional expenses.

6. **Next Steps**

In order to perform the activities described above, a time limited task force (IAA SDG Task Force) will be established under the EC with a mandate to oversee the accomplishment of the proposed activities in accordance with this SOI.

\(^4\) See [Appendix2](#)
Appendix 1

Additional information regarding the scope of IAA activities and intended benefits.
The scope of the IAA's activities should initially be limited to 4-5 SDGs identified as most relevant to the work of actuaries. (More information further below)

The IAA will co-ordinate engagement with Supranational stakeholders, providing actuarial contributions on the selected SDGs with particular focus on insurance, pensions, investment/asset management and social security applications, but not limited to these areas.

The IAA will engage in activities to create awareness amongst FMAs and the actuarial profession more broadly regarding the objectives of the SDGs to stimulate actions at global, regional and country level as appropriate.

As such, some activities will have an internal focus while some will be externally focussed.

Activities with internal focus:
- Increase actuaries’ awareness of the SDGs via IAA events as well as engagements with FMAs and Sections.
- Develop opportunities for actuaries to contribute to wider fields focussing on the selected SDGs.
- Facilitate sharing of relevant information using the IAA structure.
- Identify where there is a need to develop relevant educational material.

Activities with external focus:
- Engage with Supranational stakeholders to create awareness, provide relevant inputs and educate on the role of the actuary and potential areas for actuarial input.
- Provide actuarial input/perspectives on topics of global interest (e.g., protection gaps) by developing relevant resource material and collaborating with key Supranational stakeholders such as A2ii, OECD, IAIS, and the IFRS Foundation (including both the IASB and the ISSB).

In developing the above, the IAA should be mindful to:

- Ensure that the IAA’s deliveries are relevant to both our Supranational stakeholders and the FMAs;
- Consider what the FMAs have been and are expecting to deliver; IAA output should add value to the FMA deliveries in this area; and
- Avoid simply re-disseminating information produced by others without adding value. Our messages and advice should be based on actuarial approaches
- Avoid stretching the limited IAA resources too thin by taking on too many SDG related projects simultaneously.
Appendix 2

High-Level Description of potential actuarial involvement

A number of SDGs have direct implications for actuarial involvement through risk protection, financial inclusion and financial protection. These SDGs should be identified from an IAA perspective.

The a2ii notes that insurance is only explicitly mentioned once and it is in SDG 8, but insurance and social security can support many more of the goals. This is the contribution that the IAA can work on and what is tabulated below is a starting base that can be revisited and updated from an IAA perspective. An initial summary of relevant SDGs (mapped to relevant current IAA entities) is as follows:

<table>
<thead>
<tr>
<th>SDG</th>
<th>Title</th>
<th>Where insurance and social security can help</th>
<th>Relevant key IAA entities (Resources)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No poverty</td>
<td>Role of protection to prevent people falling into poverty due to an insurable risk event by providing affordable and effective insurance and social security protection for the financially vulnerable.</td>
<td>Advance Committee; Inclusive Insurance; Social Security Subgroup</td>
</tr>
<tr>
<td>2</td>
<td>Zero hunger</td>
<td>Risk protection to achieve food security (throughout the supply chain). Improving resilience to disaster such as agricultural insurance, climate risk insurance, insuring supply chains etc.</td>
<td>Advance Committee; Inclusive Insurance; General Insurance Forum</td>
</tr>
<tr>
<td>3</td>
<td>Good health and well being</td>
<td>Sustainable health systems and appropriate use of health resources including wellness and remuneration mechanisms to promote health outcomes. Development of community protection tools and accessible and affordable covers.</td>
<td>Advance Committee; Health Forum</td>
</tr>
<tr>
<td>5</td>
<td>Gender equality</td>
<td>Sensitivity to gender differences and enhancing risk protection for women (and, in certain cases, for men). Addressing gender gaps in coverage.</td>
<td>Advance Committee; Mortality Virtual Forum; Health Forum</td>
</tr>
<tr>
<td>6</td>
<td>Clean water and sanitization</td>
<td>Protection for risks that threaten the supply of sufficient and clean water</td>
<td>Advance Committee; Resource and Environment virtual Forum;</td>
</tr>
<tr>
<td>7</td>
<td>Affordable and clean energy</td>
<td>Protection for risks that threaten the supply of sufficient affordable and clean energy including the availability of minerals needed to produce and transport that energy</td>
<td>Advance Committee; Inclusive Insurance; General Insurance Forum</td>
</tr>
<tr>
<td>8</td>
<td>Decent work and economic growth</td>
<td>Financial inclusion as well as healthcare and social security protection on a sustainable basis with particular focus on gig economy implications, informal and seasonal workers. Protection for SMEs and opportunities created by inclusive insurance. Insurance has a role in safeguarding and improving productivity (the ILO talks about the protective and productive advantages of having insurance).</td>
<td>Advance Committee; Inclusive Insurance’ Social Security Subgroup</td>
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<tr>
<td>9</td>
<td>Industry, innovation and infrastructure</td>
<td>Risk pooling for protection creates opportunities for growth and innovation. Access to financial services especially credit to support development.</td>
<td>Advance Committee; Inclusive Insurance; General Insurance Forum; Banking forum</td>
</tr>
<tr>
<td>10</td>
<td>Reduced inequalities</td>
<td>Many of the SDGs are aiming for that goal. The impact on each SDG is looked at separately.</td>
<td>Advance Committee; Inclusive Insurance; Social Security Subgroup</td>
</tr>
<tr>
<td>11</td>
<td>Sustainable cities and communities</td>
<td>Improved resilience of cities and urban communities. Supporting research on appropriate planning, disaster risk financing as well as general insurance applications, including inclusive property insurance which protects infrastructure and assets.</td>
<td>Advance Committee; General Insurance Forum</td>
</tr>
<tr>
<td>13</td>
<td>Climate action</td>
<td>Strengthened resilience for natural disasters and incentives for action through appropriate disclosure requirements. Supporting research through data analysis.</td>
<td>Advance Committee; Resource and Environment virtual Forum; CRTF</td>
</tr>
<tr>
<td>17</td>
<td>Partnership for the Goals</td>
<td>The Goals require multi-stakeholder collaboration and co-ordination, and IAA can contribute by leveraging actuarial activities and contributing to supra-national projects. Supporting enabling regulatory developments and promoting appropriate investments.</td>
<td>EC – Impact</td>
</tr>
</tbody>
</table>

* with the support of the Sections where appropriate

SDGs not retained in our preliminary work are:
- SDG 4 Quality Education
- SDG 12 Responsible Consumption and Production
- SDG 14 Life Below Water
- SDG 15 Life on Land
- SDG 16 Peace, Justice, and Strong Institutions.