



**New alliance to address ocean risk through innovative finance solutions is launched at the UN Climate Action Summit**

**New York, 19 September 2019** – As part of the UN Secretary General’s Climate Summit, a collaborative initiative between the insurance and finance sectors, governments and environmental civil society organisations is being launched to build resilience to ocean risk in the communities and regions most affected by the changes to the ocean.

The Ocean Risk and Resilience Action Alliance, or ORRAA, will pioneer ground-breaking finance and insurance products that unlock investment in coastal resilience; accelerate research to better understand and manage ocean risk; and inform policy, governance and public understanding.

Denis Duverne, Chairman of the Board of Directors of AXA, said: ‘Ocean changes have widespread implications for the lives and livelihoods of billions of people. Protecting and regenerating coastal natural capital is critical, and the finance and insurance industries have a key role to play in reducing the exposure and vulnerability of coastal communities and ecosystems. From micro-insurance products for loans incentivising sustainable fishing to a Blue Carbon Resilience Credit giving a carbon and resilience value to mangroves, ORRAA’s outputs will be designed to be replicated across regions exposed to the impacts of ocean changes.’

In addition to AXA, ORRAA’s founding members include Ocean Unite, the Global Resilience Partnership, and the Government of Canada - with Prime Minister Justin Trudeau announcing at last month’s G7 meeting that it would provide initial support of more than CAD\$2 million to help build the Alliance.

An increasing number of hazards are resulting from ocean heating such as extreme storm events, sea level rise, acidification and bleaching. Risk multipliers including overfishing, marine pollution and habitat destruction combine with these hazards to pose wide-ranging threats to the most vulnerable coastal communities. Investing in nature, or green infrastructure, makes economic and ecological sense.

Karen Sack, President and CEO of Ocean Unite, added: ‘The ocean is vital for supporting life on our planet, and ecosystems such as reefs, mangroves, seagrass beds, and saltmarshes play a critical role in coastal protection and local economies. By bringing sectors together and significantly increasing investment in our natural capital, we can regenerate and revitalise nature to the benefit of ecosystems and society for generations to come.’

ORRAA’s early work will include developing innovative and scalable projects to build resilience in the regions and communities that need it the most. Deon Nel, CEO of the Global Resilience Partnership, said: ‘The Alliance provides a powerful opportunity for a diverse and influential set of stakeholders to join forces in developing innovative solutions to ocean risk whilst also helping to close the protection gap in emerging economies. The Alliance brings together the knowledge, innovation and political will to realise a truly transformative, global response to ocean risk.’

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## Notes to editors

### *About ORRAA*

**Background:** The [Alliance](#) is an outcome of the first [Ocean Risk Summit](#) held in May 2018 in Bermuda, and was an initiative presented at the 2019 G7 Environment Ministerial in Metz, France. It was the only initiative presented there that was supported by all G7 members as well as Fiji, India, Mexico and Norway.

The Alliance comes in response to the United Nations' call for a transformative response by the finance and insurance industries to reduce the exposure and vulnerability of coastal communities and ecosystems through the global mobilisation of private capital and risk reduction expertise.

**Members:** ORRAA's current members are AXA, Ocean Unite, Government of Canada, the Global Resilience Partnership, the Nature Conservancy, Willis Tower Watson and Rare.

In addition to these full members - who directly engage with product development, projects, and ORRAA's research and policy work - the Alliance has a number of **observers** who participate in ORRAA meetings and/or workshops. Current observers include the governments of France, Fiji, Germany, India, Italy, Japan, Mexico, Norway, United Kingdom, and the United States. The European Union, the Global Island Partnership, Poste Vita and Bank of America are also observers.

The Alliance is also supported by a number of **delivery partners** in its product development, research and project delivery.

The Alliance will be hosted by the Global Resilience Partnership at Stockholm University's Stockholm Resilience Centre.

**Priority areas:** The Alliance works across three key areas:

- Practice and Innovation – building risk-adjusted, innovative and scalable products that change the risk perceptions of investing in coastal natural capital and increase resilience while delivering a return on investment
- Science and Research - accelerating research and using data to better understand, analyse, predict, model and manage ocean risk
- Policy and Governance - informing and advancing ocean resilience policy, governance and public understanding

### *About ORRAA members*

#### **AXA XL**

AXA XL, the property & casualty and specialty risk division of AXA that is helping to drive the development of ORRAA, provides insurance and risk management products and services for mid-sized companies through to large multinationals, and reinsurance solutions to insurance companies globally.

In 2017, XL Catlin (now AXA XL) launched its Ocean Risk Initiative to help identify solutions and build resilience at local, regional and global levels to address the implications of ocean-related risk.

AXA believes that the risk and insurance community should take the lead in developing solutions to ocean-derived risks, given its expertise to model and price risk and the capacity to divert this away from sovereign states into the private markets.

AXA's Chairman, Denis Duverne, Chair of the Insurance Development Forum, is focused on highlighting the important role of insurance in reducing vulnerability to risks.

AXA's corporate responsibility strategy includes a focus on biodiversity. This is based on the belief that the potential loss of key ecological services endanger populations but also the businesses that depend on them.

### **Ocean Unite**

Ocean Unite works to catalyse ocean regeneration by engaging and activating audiences on the importance of the ocean, as well as innovating change and accelerating investment in building ocean health and resilience.

We deploy our network of over 30 global influencers from the worlds of politics, business, sport and media to deliver crucial Ocean messages to decision-makers at key moments that matter, ensure that at least 30 per cent of the ocean is highly protected by 2030, and to build ocean resilience.

Because the Ocean is Everybody's Business, we also work with companies to highlight the importance of the ocean and to encourage them to 'blue' their businesses. In 2018, Ocean Unite partnered with AXA XL to deliver the first Ocean Risk Summit in Bermuda. For more information, visit [oceanunite.org](https://oceanunite.org).

### **The Global Resilience Partnership (GRP)**

GRP is a partnership of public and private organisations joining forces towards a resilient, sustainable and prosperous future for vulnerable people and places. GRP believes that resilience underpins sustainable development in an increasingly unpredictable world. The GRP Secretariat is hosted by the Stockholm Resilience Centre at Stockholm University.

GRP is supported by the United States Agency for International Development (USAID), the Swedish International Development Agency (Sida), Z Zurich Foundation, and the Department for International Development UK (DFID). For more information, visit [globalresiliencepartnership.org](https://globalresiliencepartnership.org)

### *About ocean risk*

Our ocean is changing faster today than at any time in the past 65 million years, creating greater risk and uncertainty for coastal communities, infrastructure and biodiversity, and impacting the lives and livelihoods of billions of people, especially the poorest and most vulnerable.

Sea level and population density projections indicate that 800 million people will be at risk of coastal flooding and storm surges by 2050<sup>1</sup>. In the last 10 years, insurers alone have paid out more than US\$300 billion for coastal storm damages<sup>2</sup>, with significantly larger costs being borne by governments and taxpayers.

Immediate onset risks include tropical cyclones, storm surge events, flooding and inundation. Slow-onset risks include sea-level rise and acidification, food security issues and impacts on human health

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<sup>1</sup> <https://www.c40.org/other/the-future-we-don-t-want-staying-afloat-the-urban-response-to-sea-level-rise>

<sup>2</sup> <https://www.preventionweb.net/risk/direct-indirect-losses>

and declines in biodiversity. Risk Multipliers include pollution, resource exploitation (including overfishing) and land-use change.

Ocean changes will worsen considerably if global temperatures exceed 1.5°C above pre-industrial levels. Loss of fishery productivity at low latitudes, acidification, dead zones and other dangerous conditions will be more pronounced.

While up to 90% of coral reefs are expected to die by 2050 with a 1.5°C warming, the UN's International Panel on Climate Change estimates that an increase of 2°C would raise coral loss to more than 99 per cent. It would also double the decline in marine fisheries, and cause sea levels to rise by an extra 0.6 meters, increasing saltwater intrusion, exposure to flooding and infrastructure damage, particularly for small island and low-lying coastal areas and deltas.<sup>3</sup>

*Media contact*

Patricia Roy

[patricia@communicationsinc.co.uk](mailto:patricia@communicationsinc.co.uk)

+34 696 90 59 07

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<sup>3</sup> <https://www.ipcc.ch/sr15/>