



ANNUAL REPORT 2025

JULY 2024
-
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MUNICH CLIMATE
INSURANCE
INITIATIVE E.V.

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01. INTRODUCTION

LETTER FROM THE CHAIR

Dear MCII Friends,

As we present this annual report, it is a moment to reflect. As MCII arrives at its 20th anniversary this year, we are proud of the impact we have made and the growing reach of our work. Over the past two decades, the global community has strengthened its ability to adapt to climate risks through purposeful policies and robust institutions. Yet, we know the reality: climate impacts will worsen before they stabilize and rising risk levels are even challenging the viability of insurance itself. The geopolitical context, tight public budgets and development aid cuts are challenging for us, our partners and the communities we work with. I am very grateful for the support of our members and the MCII Board as we explore new funding approaches.

Despite these challenges, MCII's reach has expanded further over the last year, thanks to the dedication of our network and partnerships. Our work spans a remarkable range of countries—from the Caribbean and Pacific islands to Africa, Asia and Latin America. In this report, you will find examples such as inclusive microinsurance in the Caribbean, parametric solutions in Fiji, systemic risk modelling for The Gambia, and nature-based insurance dialogues in London. Building trust, stakeholder buy-in, model development and securing regulatory approval can take time. It is therefore especially exciting to see some projects now successfully moving to their next stage – such as the anticipated launch of a new CCRIF product, the Livelihood Protection Policy (LPP). These achievements underscore the value of collaboration and persistence.



**PROF. SWENJA
SURMINSKI**
MCII Chair

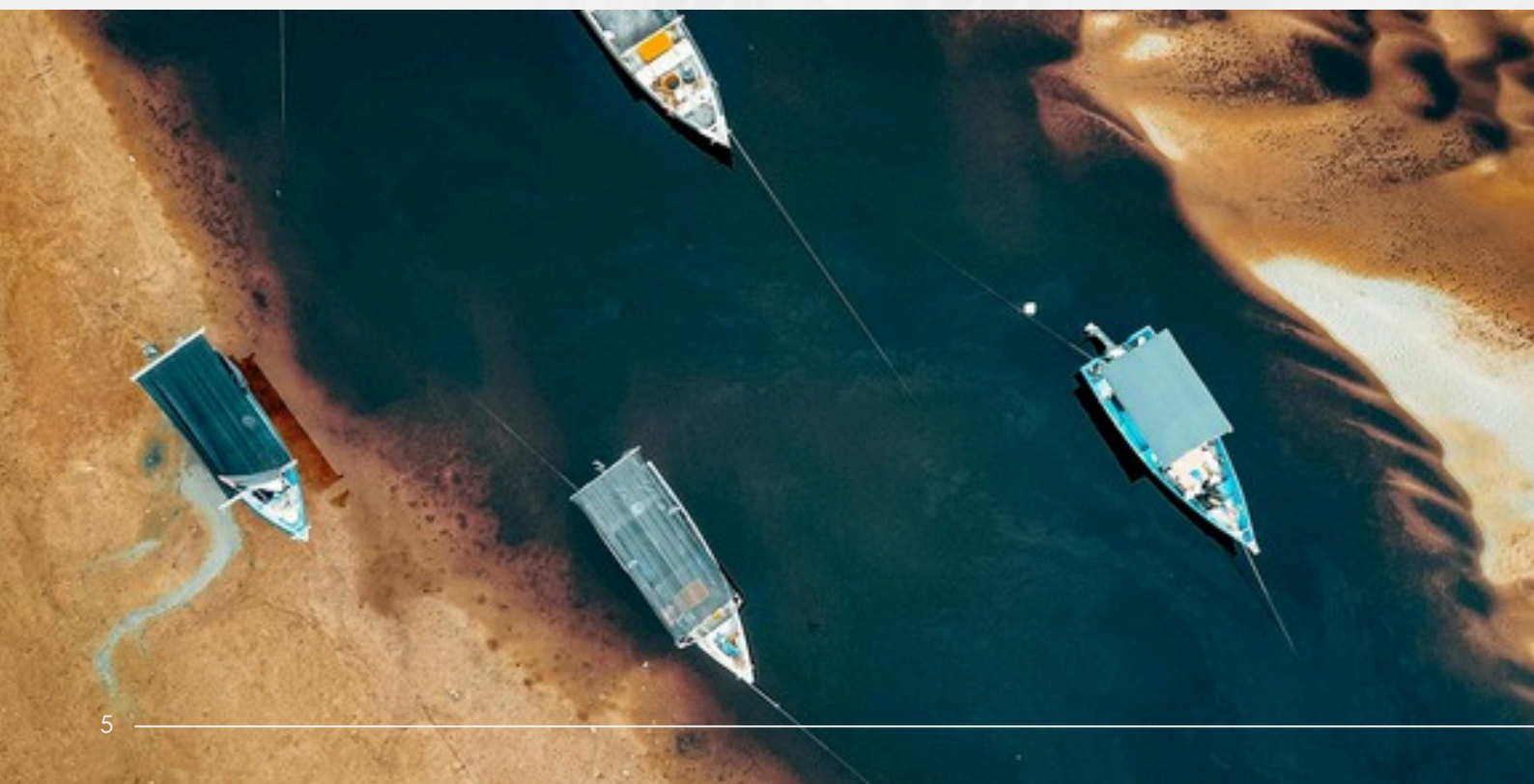
Another milestone was the successful launch of **CLIMER**, our programme for young professionals. The first cohort completed its year-long journey, fostering learning, collaboration and skill development. Their *Agency & Change Projects* showcased creativity and commitment, and their openness and feedback strengthened the programme in real time. As one participant shared: “CLIMER gave me the confidence, knowledge and tools to turn ideas into action, as well as a global network I am eager to continue collaborating with.” Witnessing relationships form across continents was truly inspiring. A heartfelt thank you to the CLIMERs, our sponsors, and all MCII members and friends who contributed sessions and advice. **Your ideas, partnerships, and engagement will be critical as we expand CLIMER.**

In 2025 we also saw new topics gain momentum. I am very excited that MCII is becoming more engaged in advancing nature-based insurance solutions (NBIS) to help protect ecosystems like coral reefs and mangroves, which sustain vulnerable livelihoods. At a recent workshop with experts in London we brought forward equity principles to ensure these solutions benefit those most at risk. The role of nature and insurance also featured prominently at COP30, held in the Amazon rainforest and, for the first time, hosting a “House of Insurance” where MCII proudly presented innovative approaches to climate and disaster risk finance. Our presence at COP30, as expert advisor and convener, and showcasing our work with vulnerable communities worldwide, reinforced MCII’s position as a trusted voice in shaping global resilience strategies.

As we commemorate our 20th Anniversary this year, I invite you to join us in celebrating this milestone through a series of events, and dialogues that will reflect on our journey and chart the path forward **to keep insurance viable for those who need it most.**

Sincerely yours,

Prof. Swenja Surminski
MCII Chair





WHO WE ARE

The Munich Climate Insurance Initiative (MCII) was initiated as a non-profit think tank by representatives of insurers, research institutes and NGOs in April 2005, in response to the growing realization that insurance solutions can play a role in adaptation to climate change, as mandated in the processes of the United Nations Framework Convention on Climate Change.

This initiative is hosted at the United Nations University Institute for Environment and Human Security (UNU-EHS), in Bonn (Germany). As a leading think tank on climate change and insurance, MCII is focused on developing solutions for the risks posed by climate change for the poorest and most vulnerable people in developing countries.

We are structured as a non-profit association with a membership comprised of expert individuals from the realm of disaster risk management and insurance. The board and membership include representatives from the private sector, academia, civil society and development practitioners.

We strive for a world where vulnerable people have access to, and can afford protection against climate extremes that affect their livelihood. We want to empower people to better cope with the negative impacts of climate change, foster resilient societies and enable sustainable development.



WHAT MOTIVATES US

THE RISING CHALLENGE OF CLIMATE CHANGE

Over the past years changes in extreme weather and climate events have been observed. Trends in the frequency and intensity of many weather related extremes have increased significantly and are expected to accelerate even further. The effects of climate change are already being felt around the globe, threatening livelihoods, reinforcing poverty cycles, impairing socioeconomic development and reducing overall resilience. Climate change impacts are projected to worsen, especially if greenhouse gas emissions continue current trajectories.

DEVELOPING COUNTRIES ARE THE MOST EXPOSED

The loss burden is most severe in vulnerable developing countries and, within these countries, among poor households and communities, whose contributions to global emissions are negligible. In some cases, the impacts have already gone beyond the ability of communities and countries to recover and adapt, and affected people often lack the means to effectively manage the risks they are being confronted with.

CLOSING THE PROTECTION GAP

Currently, 98% percent of the disaster load in developing countries is not covered through insurance approaches. In the face of environmental change and a growing number of weather extremes, vulnerable people and countries need support in employing effective strategies to manage risks and unexpected shocks and build resilience to climate impacts. Risk transfer mechanisms, such as climate risk insurance – in conjunction with other disaster risk management measures and strategies – can protect people against climate shocks by acting as a safety net and buffer shortly after an extreme weather event. Insurance approaches can also increase the disaster preparedness of individuals and therefore alleviate the stress on government response mechanisms after an event. Ex-ante response mechanisms including meaningful insurance coverage are currently neither available nor affordable for poor and vulnerable people. Thus they need to be built based on participatory procedures, and embedded into risk management approaches and relevant policy frameworks. There is a need for effective public-private-partnerships (PPPs) to actively push the limits of insurability of climate-related risks. However, insurance is not appropriate to address some slow onset risks, such as sea level rise. Here, alternative risk management solutions need to be brought to vulnerable communities.

FOSTERING INTERNATIONAL DIALOGUE

The United Nations Framework Convention on Climate Change (UNFCCC) and its Paris Agreement, the Sendai Framework for Disaster Risk Reduction, the Addis Ababa Action Agenda on Financing for Development, the Sustainable Development Goals, and also specific processes in the G20 and V20 provide the potential for international cooperation towards a systematic global approach on climate risk insurance. To add value for affected people there is a strong need to raise awareness and help develop innovative solutions to protect poor and vulnerable people from increasing climate risks.



OUR MISSION AND THE VALUES THAT DRIVE US

MCII finds and promotes effective and fair insurance-related solutions for the risks posed by climate change by bringing together experts from research institutes, the insurance sector, civil society, and climate adaptation practice. Through its unique set-up as a non-profit think tank and incubator, MCII provides a forum to explore solutions in creating incentives and changing structures for risk reduction for people with no access to risk management at present, particularly the most vulnerable people in low-income regions.

We want to add value to the most vulnerable people and communities, guided by the following principles:

INTEGRATED APPROACH:

Insurance-related solutions should be a part of comprehensive climate risk management strategies that place priority on preventing human and economic losses.

ECONOMIC EFFICIENCY:

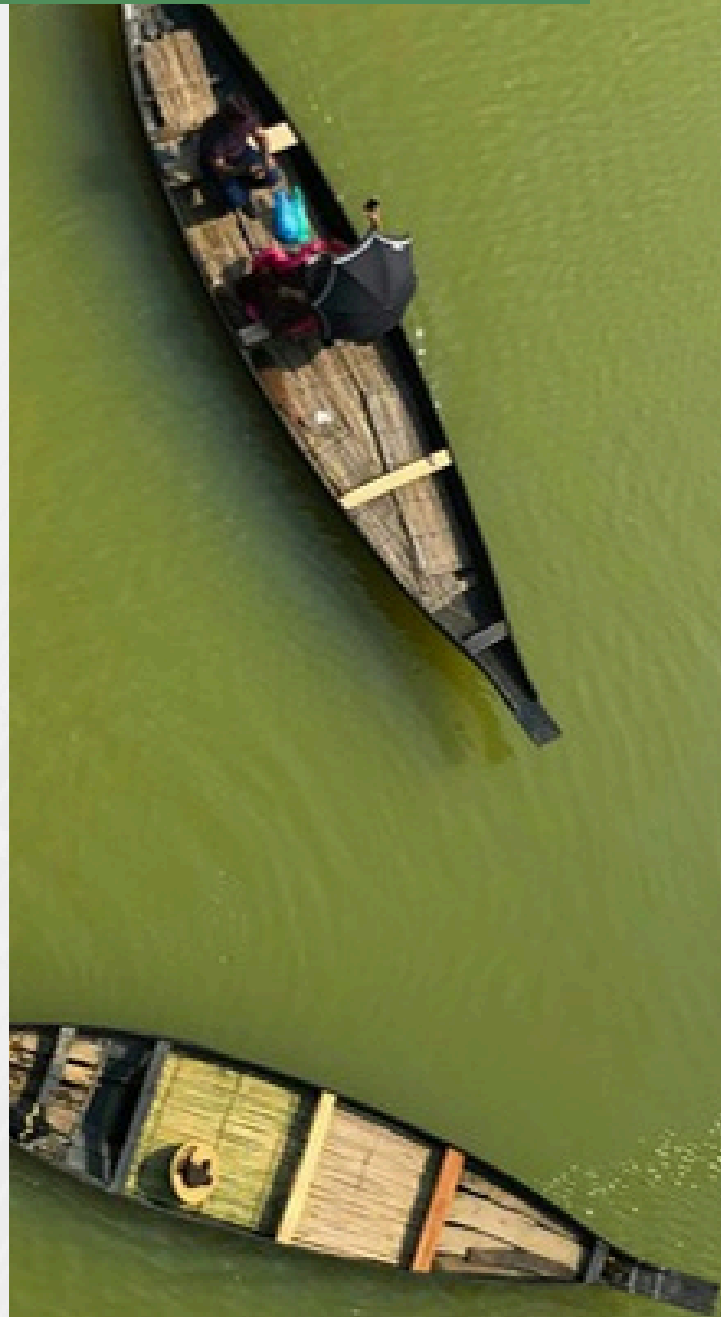
Using risk-based pricing, insurance can provide an important signal to incentivize risk reducing behavior and thus contribute to an economically efficient adaptation approach.

FROM SOLIDARITY TO RESPONSIBILITY:

Climate risk insurance solutions are mechanisms allowing to collectively manage losses that would overwhelm individual members of a group. Since poor and vulnerable communities have contributed little to climate change, it is incumbent on countries with high per capita emissions to take their share of the responsibility.

PEOPLE CENTERED:

Insurance-related solutions should be grounded on a human rights-based approach that strives for an inclusive, meaningful and accountable involvement of the people they are intended to serve to effectively meet their needs and contribute to their empowerment.





GOALS

The Initiative's purpose is the promotion of the requisite framework of public-private protection and insurance solutions for the fast-growing number of people worldwide affected by extreme weather and climate events, especially in developing countries. The focus is primarily on solutions for people who have no access to risk management mechanisms at present. Specifically, we support the following goals:

POLICY IMPACT

- * Establish and strengthen international support structures to protect poor and vulnerable people through effective pay-out mechanisms as part of climate risk management. Promote insurance-related approaches in cooperation with other organizations and initiatives and create political will for their implementation. Identify success stories and disseminate them.

ENABLING STRATEGIES

- * Enabling strategies: Create competencies at individual, organizational, and collective levels and the necessary enabling frameworks and methods that support the successful implementation of insurance-related approaches for societal resilience. This includes the identification and promotion of risk preventing and loss reducing measures, the employment of climate risk management strategies and tools, as well as relevant operational guidance.

PRACTICE PARTNERSHIPS

- * Foster partnership and dialogue to employ climate risk insurance that allows the public and private sectors to enhance countries' resilience and to close the protection gap of poor and vulnerable groups. We combine resources and expertise, and where appropriate utilize commercial competition to create added value for the end users through effective, demand-matching products and initiatives at scale.

MCII's work is grounded in fact-based research and evidence. Through collaborative research and empirical insights from practice, we feed back to policy- and decision-makers, as well as technical peers, thereby changing regulations and enhancing international aspiration and standards. MCII strives to continuously analyze the added value of insurance-related approaches to covering societal needs related to climate change.



CELEBRATING 20 YEARS OF IMPACT

As we mark two decades since the founding of MCII, we pause to reflect — not just on the years that have passed, but on the transformation that has unfolded. What began as a small gathering of forward-looking experts near Munich has evolved into a global actor in climate resilience: shaping policies, pioneering insurance-based protection for vulnerable communities, and influencing the global conversation on climate risk and adaptation.

The “20 Years of Impact” campaign is more than a commemoration — it is an opportunity to showcase how far MCII has come, highlight the tangible difference made for people on the frontlines of climate change, and cast a vision for the next chapter. From the earliest conversations about “insuring the uninsurable,” to the rollout of concrete insurance solutions, to influencing international climate-policy frameworks — MCII’s journey tells a story of ambition grounded in solidarity, innovation shaped by justice, and resilience built for those who need it most.

In the following pages, several founding members of MCII and our current Chair take us through MCII’s origins and major milestones. We are also proud to present a detailed timeline tracing our organizational growth, achievements and pivotal moments over these 20 years — illuminating how far we’ve come...and how much further there still is to go.



MCII AT TWENTY:

ORIGINS AND REFLECTIONS FROM THE FOUNDERS

WRITTEN BY:



Angela John
MCII Associated Expert

BASED ON A ROUNDTABLE INTERVIEW WITH:



Prof. Dr. Peter Höppe
MCII Chair
2005 - 2021



Cristoph Bals
MCII Vice Chair
2005 - 2023



Koko Warner
MCII Executive Director
2005 - 2016



Prof. Dr. Swenja Surminski
MCII Chair
2021 - Present

Earlier this year, across time zones and laptop screens, several founding members of MCII came together for a rare reunion. The occasion was both personal and meaningful, marking 20 years since a small, determined initiative first set out to put climate risk on the global agenda.

As Prof. Dr. Peter Höppe, Dr. Koko Warner and Christoph Bals, joined by Prof. Dr. Swenja Surminski, shared old stories; the discussion unfolded less like a formal interview and more like a conversation among old friends. It was a moment to reflect on how MCII's vision took root, evolved, and continues to inspire new generations.



A VISION AHEAD OF ITS TIME

As the question around what first inspired the vision of MCII was introduced, it was quickly highlighted that the initiative was not established in a single moment. Its roots stretch back to the 1990s, when science, civil society and insurance were just beginning to converge around the idea that climate change would not only reshape ecosystems, but also economies and livelihoods.

"At that time," recalled Höppe, "almost all discussions on climate change, solely focused on mitigation. Adaptation was seen as 'giving up'." This was echoed by Dr. Warner, who stated, "There was a lot of skepticism about even engaging with anything that wasn't squarely mitigation – kind of a sense of, 'oh, then you're giving up the fight'." The notion that climate action required not only preventing further global warming but also preparing communities to cope with the unavoidable impacts already underway, was still highly controversial.

It was during this period that advocates from Germanwatch, researchers from Munich Re and Swiss Re, and scientists and academics began asking what was then a radical question: could insurance help safeguard the livelihoods of people who had never before been insurable?

A series of workshops that followed laid out the groundwork for MCII's philosophy and mission. Out of those early discussions came what Christoph Bals later described as a defining insight: "We have to avoid the unmanageable and manage the unavoidable." This understanding shaped a threefold strategy: strengthening the political agenda on loss and damage, building an institutional home for innovation on climate risk, and supporting legal pathways that held major emitters accountable. As Bals put it, "Only by combining political pressure, practical solutions, and legal responsibility could we move forward constructively."

By 2005, these dialogues crystallized into something more permanent. Fifteen representatives from NGOs, academia, and the insurance sector came together to formally establish MCII. As Prof. Dr. Höppe described it, "It was time to move beyond workshops. We needed an institution that could give this work structure and continuity."

Dr. Warner emphasized that MCII's strength from the outset lay in its ability to bring together diverse perspectives and foster collaboration across sectors. "Through MCII," she reflected, "we brought together very credible advocacy and recognized that adaptation was extremely important to all countries, especially those where these impacts might be experienced first and worst."

WHERE SCIENCE MEETS POLICY: MCII FINDS A HOME AT THE UNITED NATIONS UNIVERSITY

MCII's founding members sought to fill the major gaps that existed within the climate finance space during the early 2000s, namely, combining the analytical precision of the (re)insurance industry, the advocacy of civil society, the evidence of science, and the pragmatism of policy. Within this context, the decision to locate MCII at the United Nations University in Bonn became a defining one. As Christoph Bals noted, "Being so close to the UNFCCC, we could walk across the street and speak directly with delegates. It kept our work connected to real-world needs and to the people shaping policy."

Dr. Koko Warner, who at the time was transitioning over to the United Nations University, played a key role in establishing MCII at UNU, which is still its home, even 20 years later. Dr. Warner noted: "...the technical expertise, prowess in science, advocacy, and the close linkage of its work to policy making that came along with partnering with UNU, created an unbeatable combination that allowed MCII to make important and enduring contributions."

This proximity gave MCII a unique vantage point where it was close enough to contribute towards the negotiations on adaptation and Loss and Damage, yet stayed grounded in research and on-the-ground realities.





BRIDGING LOCAL REALITIES AND GLOBAL ACTION

From the very beginning, MCII has operated across two worlds: working directly with vulnerable communities, while also engaging in high-level international policy discussions. For the founders, this dual focus was never a contradiction, but a necessity.

As Prof. Dr. Höppe explained, “Our objectives are to work for the most vulnerable, and we have a chance to find solutions under an international roof, which is the United Nations roof.” He emphasized that true progress requires action at both levels. We do so by talking with the people affected to learn about their needs, and then take it further by addressing them in international negotiations and processes.

That connection, Höppe added, also extends to those with the means to make change happen. “We must work with the industrialized countries as well, to convince them that they have a responsibility, and they must contribute to the solution. To be successful, we need to do both.”

As an organization grounded in research and advocacy, yet deeply connected to implementation on the ground, MCII is uniquely positioned to facilitate dialogue between those who experience climate impacts and those with the power to act on them. This ability to move seamlessly between local realities and global decision-making continues to define MCII’s strength, ensuring that the voices of the vulnerable are not only heard, but also translated into meaningful policy and tangible solutions.

For Christoph Bals, this balancing act is not a challenge but a strength. “I see very often that this personal contact changes parliamentarians forever. If they really see ‘these are real people’ and if there are also solutions that have a real impact on their lives, then they want to move forward. It raises their interest in the long term to really deal with those things in their parliaments.”

Together, these experiences highlight a defining feature of MCII’s work. This bridging role remains essential, ensuring that solutions are not only designed for people, but also informed by them.



BROADENING THE CONVERSATION: FROM INSURANCE TO LOSS AND DAMAGE

Among the many milestones in MCII's journey, one that stands out for Dr. Warner took place in the years leading up to the Paris Agreement, when the idea of Loss and Damage was just beginning to take shape. "There was a set of partnerships... it was all in the run-up to the Paris Agreement. There was some UK funding from the Climate and Development Knowledge Network (CDKN), and twin projects started out, focusing on Bangladesh. Then MCII came into the consortium, and we broadened it out."

This effort, later known as the *Loss and Damage in Vulnerable Countries Initiative*, brought together MCII, Germanwatch and other key organizations, creating space for dialogue and innovation across regions and disciplines. "It wasn't solely focused on insurance," Dr. Warner explained "It really broadened the understanding of insurance. For countries in the Global North and South, advocates and technical specialists, this project offered a space for everyone and created a sense of purpose and direction." When the team presented the project's findings around the time of COP18 in Doha, their work helped shape international understanding of how to address climate impacts that could not be fully prevented. "Those findings," Warner noted, "were part of the emergence of Article 8 in the Paris Agreement. Not everything, but part of it."

Reflecting further on that achievement, Dr. Warner added "It was a great success because it created a space where we acknowledged that climate change impacts are unavoidable, but we also have to think about averting, minimizing, and addressing them. MCII played a really constructive role in a very difficult debate that is now called Loss and Damage."

This was a significant contribution from MCII and stands as an important milestone in its history. Article 8 of the Paris Agreement is the provision that recognizes Loss and Damage as a distinct pillar of global climate action. In it, parties recognize the importance of taking action on loss and damage associated with the adverse effects of climate change, including extreme weather and slow onset events, and the role of sustainable development in reducing the risks.

THE HUMAN CONNECTION

If there's one theme that unites the founders' reflections, it's the importance of people, relationships, mentorship, and trust. Christoph Bals described this as one of MCII's defining strengths. The organization bridges four very different worlds: science, the insurance industry, civil society and politics, through a shared sense of trust and common purpose. It was this spirit, he noted, that allowed partners to "really want to move forward together."

For Dr. Warner, the human connection also shaped MCII's internal culture. She recalled how the early board members actively nurtured the young team in Bonn, many of whom are now leading climate initiatives around the world. "This ethos of supporting people, not just projects, quickly became part of MCII's identity."

Today, that commitment lives on through new initiatives such as the climer programme. As MCII Chair Prof. Dr. Swenja Surminski explained, "It's exciting! The programme reflects MCII's growing role in capacity building, helping prepare the next generation of leaders in climate and disaster risk finance."





INSPIRING THE NEXT GENERATION

When the conversation turned to advice for young professionals, the founders were united in their sense of optimism.

For Prof. Dr. Höppe, hope itself is an essential motivator. He emphasized the importance of staying focused despite political headwinds, believing firmly that “we will be on the side of the winners” if efforts remain steady and grounded in the right work.

Bals meanwhile, highlighted the importance of intergenerational cooperation. He acknowledged the frustration often expressed by younger people, but stressed that meaningful progress requires both new energy and the political influence still held by older generations. With the world at what he called a “bifurcation point,” he urged commitment from all sides: the next decade, he said, is one “where individual engagement can make a real difference.”

Prof. Dr. Surminski brought a different kind of encouragement. Fresh from lectures with students in the United States, she described overflowing classrooms and a strong desire among young people to apply their skills to real-world climate challenges. Their curiosity “*How can we help? Where can we work? How can we make a difference?*”, left her energized and hopeful.

Dr. Warner reflected on how this passion from young people connects back to MCII’s own beginnings. “It really, in a way, brings us full circle. We’re twenty years down the road, looking ahead at the next twenty.” She added that this balance between technical expertise and practical action remains central to MCII’s purpose, especially when it comes to inspiring the next generation.



LOOKING FORWARD: THE NEXT CHAPTER

As MCII begins its third decade, the founders are clear about the challenges ahead. Climate risks are growing, and the need for fair, effective and scalable protection is greater than ever.

For Prof. Dr. Surminski, the future lies in integration: connecting insurance with adaptation, nature-based solutions and finance. “Insurance alone is not a silver bullet,” she noted, “but when designed well, it becomes a powerful tool for resilience.”

Bals pointed to the rising momentum across global frameworks, from attribution science to new international initiatives like the Global Shield. “The task now,” he emphasized, “is to bring these pieces together into coherent, meaningful action.”

Dr. Warner, looking back at the evolution she helped spark, offers a note of continuity: “We began as an experiment in collaboration. The fact that we’re still here, growing, adapting and mentoring new leaders – that’s our real legacy.”

Twenty years after its founding, MCII stands as a testament to what collaboration and conviction can achieve in the face of a changing climate. What began as a small initiative bridging science, policy, civil society and the insurance sector, has grown into a respected voice, influencing global debates on climate risk, resilience and climate justice.

Entering its third decade, MCII continues to evolve, but its core mission remains the same, i.e. advancing solutions that protect the most vulnerable and driving a future where climate risk is understood, managed and shared more equitably.

MAJOR INSTITUTIONAL MILESTONES & HIGHLIGHTS

AN OVERVIEW OF OUR JOURNEY, FROM FOUNDATIONAL MOMENTS TO GLOBAL IMPACT



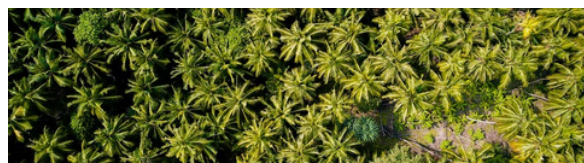
Climate Risk Insurance - An Emerging Debate

The United Nations Framework Convention on Climate Change (UNFCCC) for the first time holds two thematic workshops on insurance in the context of climate change, sparking an international debate on the role of risk transfer in climate adaptation.

[Read the Workshop Report >](#)



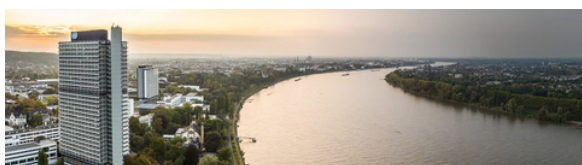
2003



Founding the Institution - The Birth of MCII

Following the UNFCCC workshops, experts from the insurance industry, civil society and academia gather near Munich in two foundational meetings to explore how insurance can support climate-affected communities. The Munich Climate Risk Insurance Initiative (MCII) is born, initially named Munich Insurance Related Action (MIRA). Its mission is presented to the international community at COP 11 in Montreal.

2005



Hosting at United Nations University - Institute of Environment and Human Security MCII and UNU sign a cooperation agreement.

The project office of MCII becomes integrated into one of UNU-EHS' academic sections

2006



Setting the Agenda - Insuring the Uninsurable

MCII contributes to a special journal edition of Climate Policy, titled "Insuring the Uninsurable," which helps to define the evolving discourse around climate risk insurance.

[See the Journal Edition >](#)

2007



Policy Proposals for International Climate Risk Pooling

At COP 14 in Poznan, MCII develops and presents its first submission to the UNFCCC, proposing an international climate insurance pool. This innovative concept lays groundwork for future policy developments.

[See the Press Release >](#)

2008

2009



Convening Insurance Industry Voices & Policy Success

MCII, in collaboration with the Geneva Association, UNEP-FI, and CLIMATEWISE, develops and secures signatures for an industry statement calling for expedited action on climate adaptation and risk sharing. This year also marks a significant policy success at COP 16 in Cancun, which establishes a work programme for the "possible development of a climate risk insurance facility" to address impacts from severe weather events.

[Read the Statement >](#)



Navigating Policy Challenges and Expanding Partnerships

While COP 15 in Copenhagen faces challenges in achieving substantive outcomes, MCII engages in broader efforts, including a joint paper with UNDRR on "Linking DRR to Insurance."

[Read the Paper >](#)

2010



MCII Goes Solutions - Launching the CRAIC Project

The Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) project is launched. This initiative marks a shift towards facilitating concrete climate risk insurance solutions in climate vulnerable markets.

2011

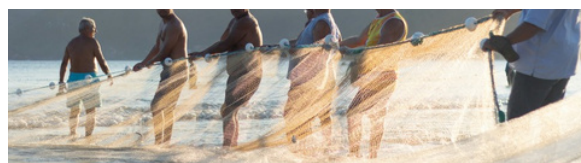


Elevating Vulnerable Country Voices

In a consortium with Germanwatch, UNU-EHS, and ICCCAD Bangladesh, MCII works with the Least Developed Country Group through the "Loss and Damage in Vulnerable Country Initiative" to advocate for a decision on loss and damage. This effort contributes to the creation of the Warsaw International Mechanism for Loss and Damage at COP 19 in 2013.

[Read the Report >](#)

2012

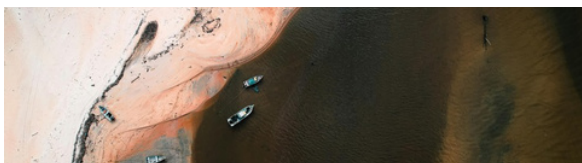


The Launch of the Livelihood Protection Policy

The Livelihood Protection Policy (LPP) is launched under CRAIC, providing the first parametric microinsurance solutions against hurricane risk to farmers and fisherfolk in St. Lucia and later Jamaica.

[Watch the Video >](#)

2013



Policy Commitment to Scale Climate Risk Insurance - Pro-Poor Principles

Ahead of the crucial COP 21 in Paris, MCII, through publications and public events, plays a key role in shaping the G7 commitment to protect up to 400 million people from climate risks. This includes the development of Pro-Poor Principles for climate risk insurance.

[Read the Report >](#)

2015

2016



Adding Risk Analytics to the Portfolio

MCII integrates risk analytics into its work through the Advancing Climate Risk Insurance (ACRI+) project, implementing the first Economics of Climate Adaptation (ECA) Study to quantify adaptation options in Morocco.

[View the Roadmap >](#)



MCII wins UNFCCC Momentum for Change Award at COP 20

MCII also receives significant global recognition by winning the UNFCCC Momentum for Change Award. The award was given for innovative work in implementing climate risk insurance for vulnerable people in developing countries specifically the LPP in St. Lucia.

[Read More About the Award >](#)

2017



Expanding Partnerships and Knowledge

MCII becomes a technical partner for the V20 Group of Finance Ministers, deepening its engagement with vulnerable countries on financial protection against climate impacts. Later on, MCII also intensifies collaboration with civil society actors; through MAPs (Multi-Actor Partnerships) to build local capacities for climate risk insurance.

2018



Pushing for Premium Support

MCII highlights affordability and equity challenges in providing climate risk insurance. Several dialogues and publications result in a G7 decision to accept international premium and capital support principles.

2019



Enhancing Regional Capacities & Footprint

The Caribbean work is transitioning to regional sovereign catastrophic risk pool and local partner, the Caribbean Climate Risk Insurance Facility SPC. In the Pacific, a new partnership with the UN Capital Development Fund (UNCDF) shapes up. MCII through UNU-EHS becomes an implementing partner in the Pacific Insurance and Climate Adaptation Programme (PICAP), which subsequently facilitates the development and introduction of the first parametric microinsurance products across the Pacific starting in Fiji.

2020



Evidence for Change

Highlighting that scale up of climate risk insurance requires solid evidence. MCII facilitates the international Strategic Evidence Roadmap for Climate Disaster Risk Finance and Insurance. The document highlights research needs and guides research funders.

[View the Roadmap >](#)

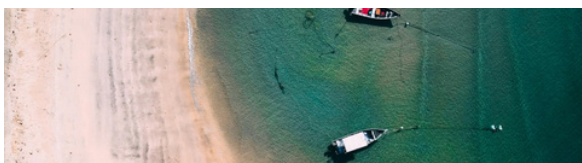
2021

2022



Contributing to the Global Shield

MCII makes significant contributions to the establishment and initial work of the Global Shield against Climate Risks, a major international initiative aimed at boosting pre-arranged finance for climate and disaster risks.



Operationalizing Loss and Damage Finance

The Fund for Responding to Loss and Damage is operationalized with initial pledges, a crucial step in addressing the unavoidable impacts of climate change, reflecting years of advocacy by MCII and its partners.

2023

2024



Young Changemakers - Launching CLIMER

MCII celebrates the launch of CLIMER, a new programme focused on empowering young professionals to become changemakers in Climate and Disaster Risk Finance and Insurance (CDRFI).

[Learn More about CLIMER >](#)



MCII Celebrates 20 Years of Impact

Twenty years after its founding, MCII is playing a role in 17 projects and initiatives globally and cooperates with over 100 international partners to advance climate and disaster risk financing and insurance for vulnerable countries.

2025

20

A man wearing a grey cap and a dark tank top is shown from the back, mending a large, light-colored fishing net. He is using a yellow needle and thread. The net is spread out on a sandy surface. There are several colored rectangular overlays on the image: a teal square in the top right, a yellow rectangle on the right side, a green square in the bottom left, and a teal rectangle in the bottom left corner.

03. AREAS OF IMPACT

THEMATIC STRUCTURE

Our purpose is the promotion of the requisite framework of public-private protection mechanisms and insurance solutions for the fast-growing number of people worldwide affected by extreme weather and other climate events, especially in developing countries. Our focus is primarily on solutions for people who currently do not have access to risk management mechanisms. Specifically, we strive to enable change by addressing the following three main areas of climate risk:



**Policy &
Governance**



Analytics



**Finance
Solutions**

An aerial photograph of a large group of sailboats, mostly with white sails and dark hulls, scattered across a body of water. The water has a warm, orange-brown hue, possibly due to the lighting or the presence of certain algae. The boats are arranged in a loose, circular pattern. The bottom portion of the image is covered by a solid green rectangular overlay, which serves as a background for the text.

CLIMATE RISK

POLICY & GOVERNANCE

WORKING TOWARDS A WORLD THAT PROVIDES FINANCIAL PROTECTION AGAINST CLIMATE EXTREMES AND EMPOWERS PEOPLE TO FORM RESILIENT SOCIETIES.

The Policy & Governance team is committed to advancing several key objectives in the realm of climate resilience and the protection of people. Firstly, we are focused on enhancing international cooperation, governance, and institutions to better safeguard people who are most vulnerable to the impacts of climate change. Secondly, we support climate-vulnerable countries in their efforts to develop and implement Climate Disaster Risk Financing and Insurance (CDRFI) approaches.

By assisting countries and communities in strategic planning, we can help them prepare for and respond to climate-related disasters more effectively. Thirdly, we are dedicated to amplifying the voices of affected communities by increasing their capacity and ensuring their participation in national and international CDRFI processes. Multi-stakeholder partnerships are essential to ensure that decisions made about the protection of people are informed by their perspectives and needs.

Lastly, we are actively engaging with the insurance industry to encourage meaningful contributions to financial protection measures for climate-vulnerable populations. By fostering collaboration and creating an enabling environment, we can promote innovative solutions that enhance resilience and support those most at risk in the face of climate change.



ADVANCING POLICY PROGRESS ON CLIMATE AND DISASTER FINANCE

In 2025, MCII's Policy Team advanced some of its most ambitious and wide-reaching efforts to date, helping shape how climate and disaster risk finance and insurance (CDRFI) evolves at national, regional, and global levels. Across the year, the team worked at the intersection of evidence generation, policy integration, and stakeholder engagement—strengthening the foundations of financial protection for climate-vulnerable countries while influencing major international processes. Their work spanned high-level dialogues, technical guidance, country support, and community-level engagement, collectively pushing the CDRFI landscape toward approaches that are more inclusive, evidence-based, and aligned with long-term resilience planning.

Together, these efforts reflect a year of consolidation, innovation, and strategic influence—positioning MCII to continue shaping the CDRFI agenda.



EVIDENCE FOR THE FUTURE OF CLIMATE AND DISASTER FINANCE AND INSURANCE

Effective, inclusive, and scalable climate and disaster risk finance (CDRFI) depends on evidence that reflects the realities of those most vulnerable to climate risks. In 2025, three years after co-developing the Evidence Roadmap under the InsuResilience Global Partnership, MCII convened a two-day Expert Dialogue in June 2025. The event brought together over 80 participants from academia, governments, civil society and the private sector, along with the Secretariats of the Global Shield against Climate Risks (GS) and the Climate Vulnerable Forum – Vulnerable Twenty Group of Finance Ministers (CVF-V20), and the University of California.

The Expert Dialogue, comprised of over 20 sessions, focused on taking stock of developments in CDRFI. Key areas of exploration included how premium support mechanisms could be utilized more effectively, and how gender-responsive mechanisms can better address intersectional vulnerabilities through anticipatory action. Participants also addressed persistent data gaps, recent evidence from risk modelling, and the role of inclusive insurance markets in expanding protection. Country case studies from Malawi, Costa Rica, Sri Lanka, Ghana and Somalia brought to light practical experiences from the ground, highlighting the need to move beyond short-term pilots toward coordinated, long-term strategies embedded in national frameworks.

Looking forward, the Expert Dialogue underscored several critical trajectories for CDRFI. The discussions around more effective premium support aim to pave the way for sustainable and widespread adoption of climate risk insurance, potentially exploring innovative financing models and greater integration with national budgetary processes. The emphasis on gender-responsive mechanisms and anticipatory action signals a growing recognition that future CDRFI solutions must be more equitable and proactive, directly addressing the differential impacts of climate change on vulnerable populations. This will likely involve enhanced data collection on gender-disaggregated impacts and the development of tailored financial products that consider diverse needs and vulnerabilities. The high-level closing panel's focus on the evolution of pre-arranged finance within a shifting global financial architecture points to continued efforts to integrate climate and disaster risk into broader financial reforms, ensuring that funding is readily available and disbursed rapidly when disasters strike, moving away from reactive, debt-generating approaches. Moving forward, MCII will use the momentum of the event to promote research frontiers and partnerships that help financial protection to become more impactful and sustainable.

SUPPORTING COUNTRIES TO INTEGRATE DISASTER FINANCE INTO THEIR CLIMATE POLICIES

As climate-induced disasters increase in frequency and intensity, they pose escalating risks to lives, livelihoods, economies and national budgets. In this context, Climate and Disaster Risk Finance and Insurance (CDRFI) has become an essential tool to enhance resilience. By providing timely and predictable financial support for emergency response and recovery, CDRFI helps safeguard public finances and sustain long-term development goals. It also promotes public-private collaboration, strengthens risk assessment, and offers financial protection for vulnerable sectors and climate-related investments.

Recognizing its strategic value, MCII has supported efforts to integrate CDRFI into national climate policies, particularly National Adaptation Plans (NAPs) and Nationally Determined Contributions (NDCs). Despite the potential, many developing countries face challenges in incorporating risk financing into their adaptation planning due to limited access to tools, data and an investable project pipeline.

To address these gaps, UNDP, with technical support from UNU and MCII, developed two key knowledge products: Supplementary Guidelines for Integrating CDRFI into NAPs; and Analytical Report on CDRFI in NAPs and NDCs. These resources offer a stocktake of existing tools and practices, providing practical guidance and inspiration for policymakers and practitioners. They are designed to help countries strategically plan and implement CDRFI approaches in alignment with their broader climate adaptation efforts.

MCII's Policy Team actively disseminated these tools and supported capacity-building efforts through high-level global platforms. During COP29, the Policy Team contributed to the PCCB Capacity-Building Academy at COP29 with a session titled "Bridging the Finance Gap of NAPs with CDRFI." This event supported the countries and relevant audiences to learn about CDRFI and its contribution to climate policies.

At the Expert Dialogue on the Future of Climate Disaster Risk finance, MCII and UNDP officially launched the documents. There are already early adopters including the Government of Nigeria that applied the methodology in their national planning process. These efforts contribute to MCII's broader work to support climate-vulnerable countries in the strategic planning and implementation of CDRFI approaches, ultimately advancing equitable and risk-informed climate resilience.





RESHAPING PERSPECTIVES: AMPLIFYING STAKEHOLDER INSIGHTS FOR CLIMATE RESILIENCE

As we continue to strengthen stakeholder engagement in climate-vulnerable nations, the success of the Multi-Actor Partnerships (MAPs) initiative has played a pivotal role in reshaping perspectives across government, private sector, civil society, academia and community levels regarding CDRFI. In these frontline countries, the escalating climate crisis and the persistence of natural hazards become a perpetual risk to development progress. These vulnerabilities are exacerbated by the absence of adequate access to prearranged finance and CDRFI mechanisms, that are based on consultation with vulnerable groups and defined bottom-up approaches.

In 2025, the MAPs engagement launched with a focused capacity-building assessment to identify and address training needs across participating organizations. This led to the delivery of four targeted webinars on the key steps for developing CDRFI products, specifically tailored for Multi-Action Partners including ENDA Energie, the Institute for Climate and Sustainable Cities, the Caribbean Policy Development Centre (CPDC) and Chrysalis. In parallel, a collaboration with CPDC enabled a five-part community resilience series across Antigua and Barbuda, Barbados, Dominica, Grenada and Jamaica. These sessions reached more than 100 farmers and fisherfolk in the Caribbean, strengthening their understanding of core CDRFI principles and improving awareness of available risk financing products.

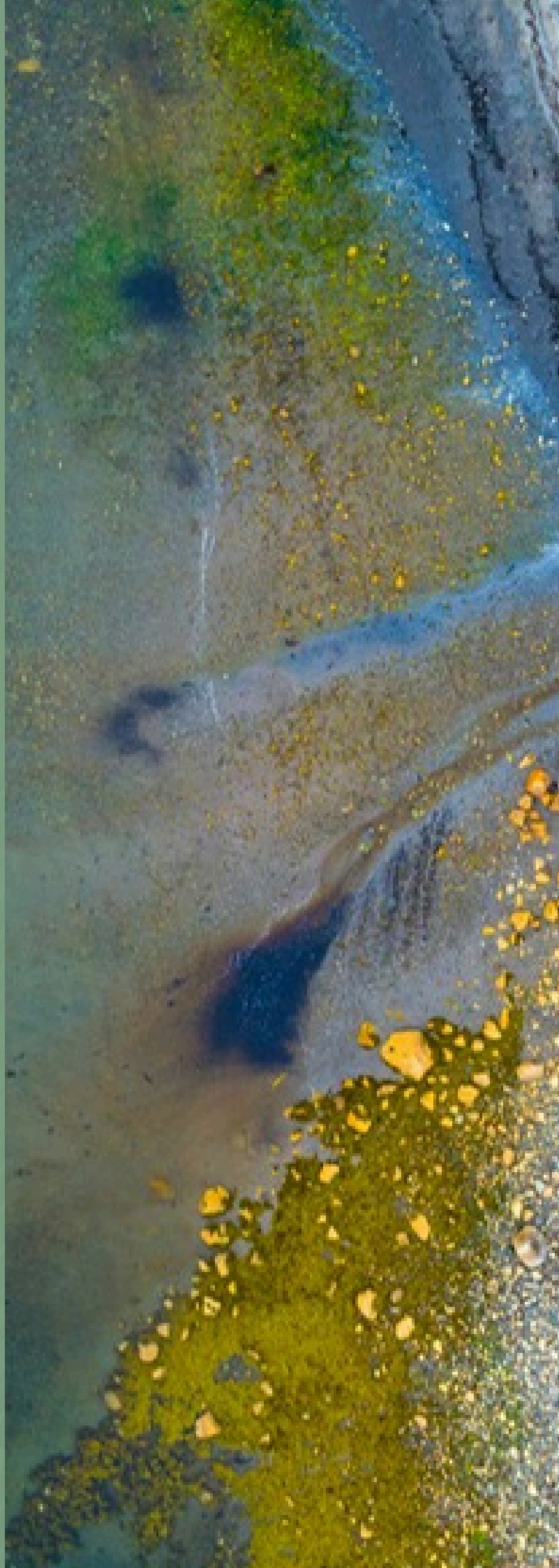
MAPs also supported international climate advocacy during the 62nd UNFCCC Subsidiary Bodies sessions, contributing to the official side event *NAP 3.0+: Leveraging CDRFI for Adaptation*, alongside CARE Germany, ICSC and the Alliance for Bioversity and CIAT. The session spotlighted insights from the Philippines and Malawi, showcasing how MAPs can be effectively integrated into National Adaptation Plans to enable demand-driven CDRFI solutions and promote inclusive approaches to adaptation finance and resilience-building.

Further contributions were made through the Expert Dialogue, *The Future of Climate and Disaster Risk Finance: From Evidence to Action*, where MAPs facilitated a session highlighting practical implementation case studies from SLYCAN Trust (Sri Lanka), ENDA Energie (Senegal) and ICSC (Philippines). Discussions revealed critical evidence gaps, systemic barriers and emerging opportunities, informing the next phase of MAPs and the piloting of innovative climate risk financing products.

BUILDING ON 20 YEARS OF IMPACT: CHARTING THE FUTURE OF CDRFI

As MCII marks "20 Years of Impact," our role in shaping the landscape of climate and disaster risk finance (CDRFI) is more critical than ever. The international community has indeed reached interim milestones in addressing loss and damage through financial protection, but the journey ahead demands sustained effort and strategic collaboration. Drawing on two decades of expertise, MCII is uniquely positioned to continue bridging diverse perspectives on CDRFI. This includes strengthening emerging institutions, both within and outside the UNFCCC, that are crucial for addressing financial protection needs.

Our ongoing contributions to the formulation of board policies for the Fund for Responding to Loss and Damage and the Global Shield exemplify our commitment to embedding robust financial mechanisms at the highest levels of global governance. Looking ahead, MCII will continue to actively inject CDRFI considerations into the broader debate on International Financial Inclusion reform, advocating for solutions that reach those most vulnerable to climate risks.



FURTHER IMPACT HIGHLIGHTS

POLICY & GOVERNANCE

1

Becoming a member of the Santiago Network

In a significant development in February 2025, MCII was officially accredited as a member of the Santiago Network. This network plays a vital role in supporting developing countries in addressing the impacts of climate change by facilitating access to technical assistance, knowledge, and resources. By connecting countries with relevant *organizations, bodies, networks and experts* (OBNEs), it helps to avert, minimize and address loss and damage. As a leading initiative supporting climate-vulnerable countries in accessing climate finance, MCII's membership marks an important milestone. It will significantly enhance MCII's ability to collaborate directly with countries seeking support in the context of loss and damage. Furthermore, MCII's Policy team actively contributes to the Network's Advisory Board meetings and engages in ongoing discussions on capacity building and technical assistance.

2

Strong Presence at Climate Summits (COP29 and SB62)

MCII maintained a significant presence at COP 29 in Baku in November 2024 through its associated experts. This active participation included hosting thematic sessions, contributing to expert discussions and notably, launching the CLIMER programme. These efforts underscore MCII's consistent engagement in global climate policy dialogues. Also at the Bonn Climate Change Conference in June 2025, MCII facilitated exchanges and participated as expert input into several mandated events.

3

WIM CRM Compendium on Comprehensive Risk Management

MCII's Policy team recently developed the Second Volume of the Compendium on Comprehensive Risk Management Approaches. This official UNFCCC publication leverages MCII's technical expertise and practical insights to support more effective and comprehensive climate risk management for vulnerable countries. Developed as part of the five-year rolling workplan of the Executive Committee of the Warsaw International Mechanism (WIM), the Compendium directly addresses loss and damage from both extreme weather events and slow-onset processes, with MCII particularly active in the WIM's Technical Expert Group on Comprehensive Risk Management (TEG-CRM). The Compendium offers policymakers an updated framework for integrating risk-informed decision-making into climate action, reflecting the latest advancements in science, policy and practice. Through diverse regional case studies, it illustrates practical approaches, from anticipatory action to post-disaster governance for reducing risks associated with climate-related hazards like floods, droughts and heatwaves. A key innovation in the document is the introduction of "loss and damage signatures," which align specific hazards with the types of losses experienced, based on the IPCC's key climate risks.

4

MCII at the 4th International Conference on Financing for Development (FFD4)

The 4th International Conference on Financing for Development (FFD4), held in Seville from June 30 to July 3, 2025, served as a critical global platform for advancing solutions for sustainable development finance amidst escalating climate risks. MCII actively contributed to this dialogue by hosting a side event focused on pre-arranged finance. This side event highlighted how instruments like sovereign risk pools, pre-arranged and blended finance, can deliver faster, more targeted and scalable responses, particularly for micro, small and medium-sized enterprises (MSMEs) and climate-vulnerable communities. The broader momentum at FFD4 echoed these themes, underscoring the urgency of integrating climate and disaster risk into fiscal policy and public financial management, especially given the cost-effectiveness of pre-arranged finance compared to debt-generating post-disaster borrowing. [Find more insights on the event here.](#)



CLIMATE RISK

ANALYTICS

INCREASING ACCESS AND IMPLEMENTATION OF CLIMATE RISK ANALYTICS TOOLS IN VULNERABLE COUNTRIES VIA COOPERATION AND DIALOGUE BETWEEN SCIENCE, POLICY AND IMPLEMENTATION.

The Climate Risk Analytics team aims to increase access to climate risk analytics for decision-makers in vulnerable countries and vulnerable populations. We also establish and implement a portfolio of analytics tools such as the Economics of Climate Adaptation (ECA) and CLIMADA, econometrics, visualization tools, deep learning and machine learning solutions along with remote sensing.

We enable and facilitate cooperation in bridging policy-science-implementation for climate action, and are engaging with the private and the insurance sectors to address the long-term financial protection gap using climate risk analysis.



STRENGTHENING CLIMATE ACTION THROUGH EVIDENCE-DRIVEN ANALYTICS

Addressing the intertwined challenges of climate change, biodiversity loss and socioeconomic vulnerability requires innovative solutions and strong partnerships. The Climate Risk Analytics team plays a pivotal role in driving such efforts by developing and supporting practical approaches that connect scientific research with local action and policy implementation. This series of highlights illustrates how we and our partners are advancing integrated strategies: transforming agricultural value chains in Latin America, strengthening systemic economic modelling for climate resilience, and deepening global understanding of loss and damage under the UNFCCC. Together, these initiatives demonstrate how MCII's work empowers communities, informs policy and bridges critical gaps between climate risk science, finance and on-the-ground resilience building.



INTEGRATING CLIMATE, BIODIVERSITY AND LIVELIHOODS

At the heart of the Biofincas project lies a simple but ambitious vision: to bring climate action, biodiversity conservation and sustainable livelihoods together as part of one shared journey. The project looks at the entire agricultural value chain—from how crops are grown, to how they reach the consumer—and seeks to reshape it into a system that is both resilient to climate change and friendly to biodiversity. At the same time, it works to ensure that risks and benefits are shared more fairly among everyone involved.

In practice, this means finding the moments where change can have the greatest impact. By focusing on these key points, Biofincas introduces new ways of working that not only protect ecosystems but also help farmers earn a better living. Cocoa, banana and coffee producers in Guatemala, the Dominican Republic and Mexico are at the center of this effort, turning their farms into living examples of how agriculture can adapt to climate pressures while also safeguarding nature.

This past year, the project deepened its understanding of the challenges farmers face. Baseline and benchmark studies revealed how climate risks and biodiversity dependencies play out in practice, providing data that is directly shaping local solutions. These insights are more than just numbers—they are guiding tools to ensure smallholder farmers and agricultural SMEs gain access to strategies that respond to their most urgent needs. They also help build stronger bridges between science and on-the-ground action, supporting community-based approaches that are adaptive and rooted in local realities.

A highlight of the year was the regional stakeholder workshop held in the Dominican Republic. Here, farmer cooperatives, local governments, private companies and researchers came together around the same table. The gathering was more than just a meeting—it was a space for a shared purpose, where partnerships grew stronger and clear goals for the future took shape. By creating this collaborative platform, the workshop opened the door to more inclusive dialogue and practical strategies for tackling climate-related financial risks and closing protection gaps.

SYSTEMIC ECONOMIC MODELLING FOR CLIMATE RESILIENCE

When an unprecedented flood destroys your home, the impact is life-changing. Yet with the right community, government and financial support behind you, recovery is within reach. Over time—and with consistent help—you can rebuild and regain a sense of normalcy.

However, if the flood also sweeps through your whole region, destroying industry, schools, roads, hospitals and more, the recovery is much, much harder: your community's income disappears, your children's education is interrupted, food prices rise, basic needs are left unmet, people start to leave.

This poses the question: How can we prepare for disasters that affect the entire economic system for years to come?

The Analytics Team has been creating tools to understand and model the systemic impacts of disasters, and to support government decision-makers in proactive financial planning.

In 2024 we worked with the Thai and Egyptian governments to look at the long-term effects of droughts, floods and heatwaves on different economic sectors and how the risks can be mitigated. Our data showed how effective climate adaptation can boost growth and wellbeing over decades.

This year we are working with the V20 Group to develop even more in-depth tools for vulnerable nations. Our work quantifies the economic and non-economic benefits of climate finance interventions with an initial focus on insurance. We are working with three open-source climate impact and macroeconomic modelling platforms – CLIMADA, DGE-CRED and GEM-CPP – bringing together modellers from the public and private sectors on the new modelling suite, including ETH Zurich, the Leibniz-Institut für Wirtschaftsforschung Halle and KnowEdge.

The final toolset provides a comprehensive and nuanced view of how economic systems respond to disasters. This year we will publish our first data and recommendations for The Gambia, and next year we will expand the project to additional V20 member states, helping to close financial protection gaps in climate risks. In parallel, we are publishing open-source data, code and training materials so that other technical users can adapt and run their own simulations.



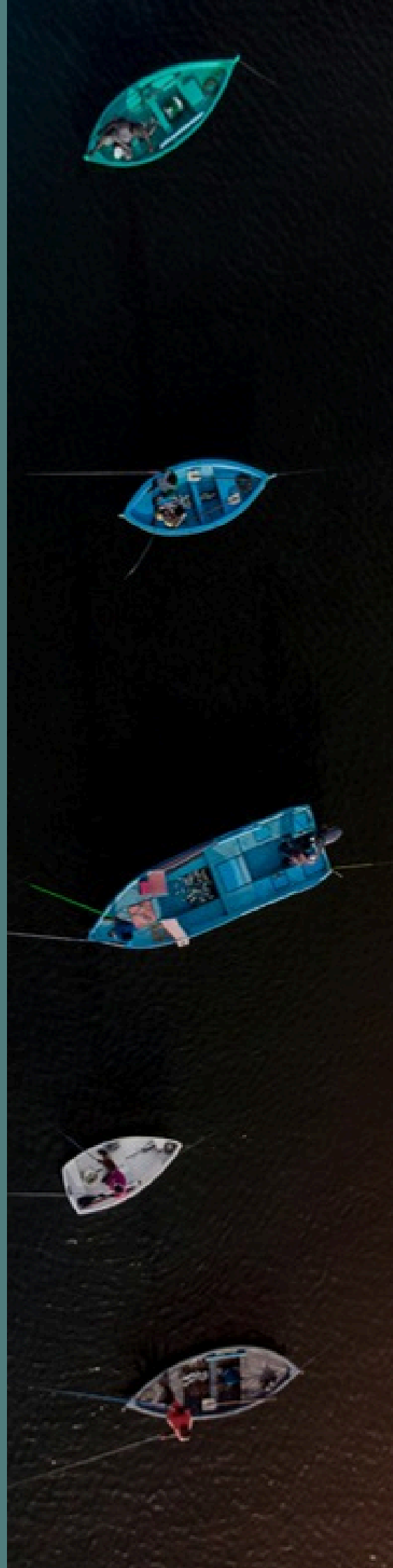
UNFCCC COLLABORATION: ADVANCING LOSS AND DAMAGE QUANTIFICATION

Together with the United Nations Framework Convention on Climate Change (UNFCCC), MCII has embarked on a project to bring greater clarity to one of the most pressing challenges of our time: climate-related loss and damage. The initiative is driven by a simple but powerful aim—to understand not just the visible economic costs of climate change, but also the quieter, non-economic impacts that shape people’s lives and futures. By closing these knowledge gaps, the project helps bridge the space between science and policy, fostering innovations that can be translated into actionable strategies.

Central to this effort is the enhancement of the CLIMADA modelling platform, which now captures the full spectrum of climate impacts. By integrating both sudden shocks, like extreme weather events, and slow-onset processes that unfold over years, the platform provides a more realistic and nuanced picture of risk. Concepts such as tolerable risk levels and non-economic losses are woven into the analysis, ensuring that the lived realities of vulnerable communities are not overlooked.

This approach has been brought to life through a comprehensive case study in Bangladesh. Here, localized insights show how climate risks touch every aspect of daily life, underscoring the urgency of tailored adaptation and support measures. The case study not only illustrates the practical application of the methodology, but also demonstrates how local experiences can inform global frameworks—helping ensure that policy responses are grounded in real-world needs.

By expanding and adapting CLIMADA, the project has opened new pathways for countries and institutions to design their own evidence-based policies and financial strategies for addressing loss and damage. The result is a foundation for more targeted, inclusive, and coherent action at every level—from local to international. Step by step, this work is helping to shape a global response that is both more comprehensive and more compassionate in the face of climate change.



DRIVING PRACTICAL SOLUTIONS FOR A CHANGING CLIMATE

Collectively, these projects reflect MCII's commitment to developing tangible, scalable solutions that strengthen climate resilience, protect livelihoods, and promote environmental sustainability. By fostering collaboration across disciplines and sectors, linking farmers, researchers, governments and the private sector, MCII ensures that cutting-edge analytics and tools translate into real benefits for those most exposed to climate impacts. As MCII continues to champion innovative insurance solutions, systemic risk modelling and inclusive policy frameworks, its work lays a strong foundation for a more resilient and equitable future—one where communities are better equipped to adapt, recover, and thrive in the face of an evolving climate.



FURTHER IMPACT HIGHLIGHTS

ANALYTICS

1

Non-fiction Book Publication based on the Climate Vulnerability Monitor, 3rd Edition

In partnership with the Climate Vulnerable Forum – Vulnerable Twenty Group of Finance Ministers (CVF-V20 Secretariat), we set out to tell a story that too often goes unheard: how climate change is reshaping lives in the world’s most vulnerable countries, and what can be done to respond. The result is a book for a global audience, designed to carry the science of the Climate Vulnerability Monitor (CVM), third edition beyond policy circles and into the hands of everyday readers. Its purpose is simple yet urgent—to make visible the realities of climate impacts and to share the solutions that can help communities adapt, minimize harm, and address the losses and damages they face.

The journey began in June 2023 with an Inception Workshop, where ideas took shape and the vision for the book was charted. From there, the work unfolded step by step: drafting a proposal, weaving together words and data into compelling chapters, creating illustrations to bring the science to life, and refining the manuscript through rounds of review. By June 2024, a complete text was in hand, carrying with it the voices and experiences of those on the frontlines of the climate crisis.

The book, titled *From Crisis to Action: Climate Change through the Eyes of the Most Vulnerable*, is being published by Cambridge University Press. It was first launched on the global stage during COP29, and will reach wider audiences with its release planned for the SB sessions in Bonn in 2026. Supported by the CVF-V20 Joint Multi-Donor Fund, this project is more than a publication—it is a bridge between science and society, between vulnerable communities and the global public, and ultimately between crisis and the possibility of action.

2

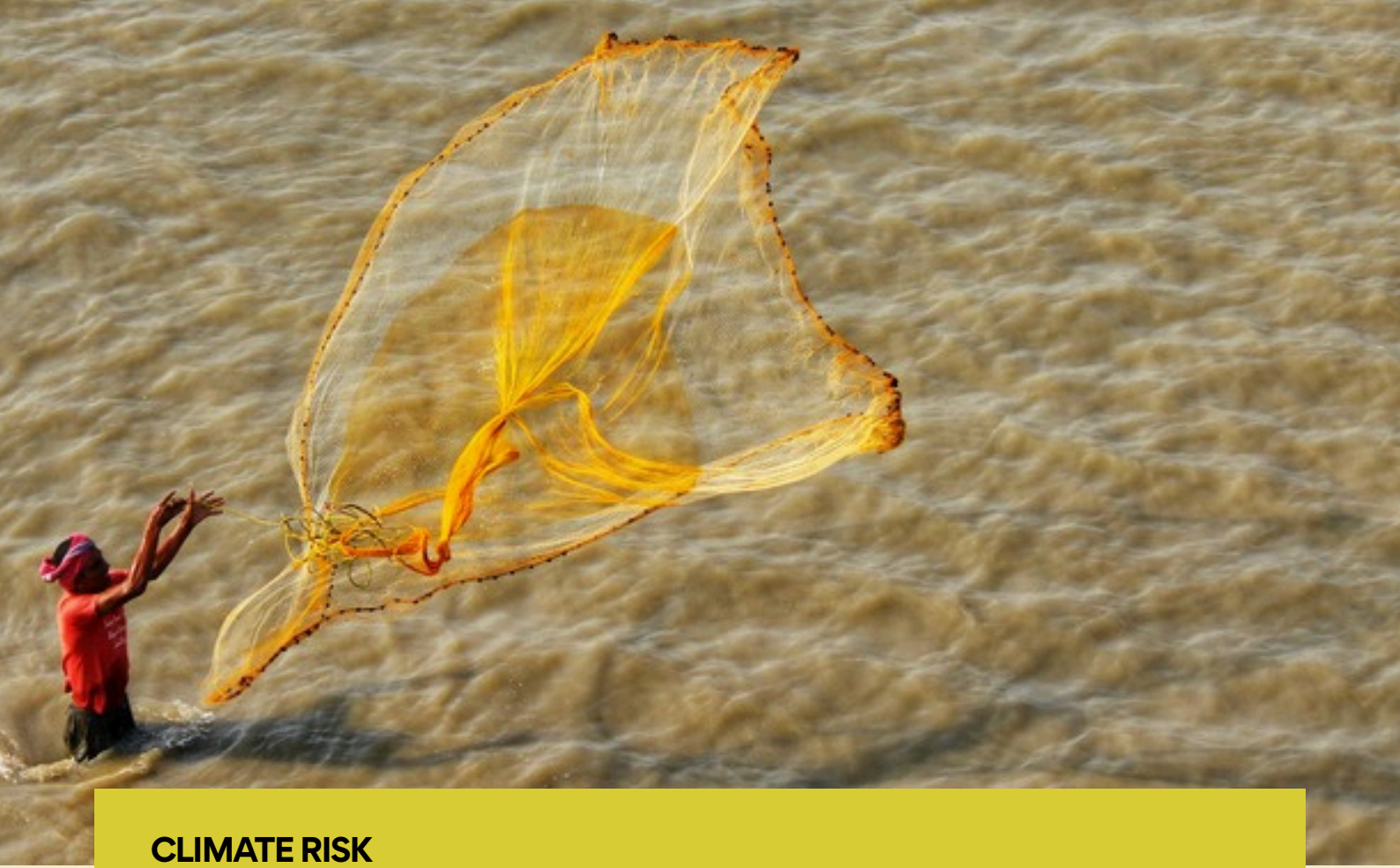
Flood Adapt Vietnam

In the Research and Development Phase of the FloodAdapt Viet Nam project, funded by the Federal Ministry of Education and Research (BMBF), MCII is a member of a larger consortium involving partners from academia, other UNU-EHS sections (VARMAP, EVES), and private sector partners under the leadership of DLR. The goal of the project is the integration of Ecosystem-based Approaches into Flood Risk Management for Adaptive and Sustainable Urban Development in Central Viet Nam and developing solutions for the local authorities.

The role of MCII lies particularly in conducting flood risk analyses for selected assets and estimating potential future impact in the Thua Thien Hue Province in central Viet Nam. To do so a key activity involved developing a methodology to predict building types within the province for better damage estimates.

This methodology relies on real-world sample data of buildings and their characteristics which were jointly collected during a housing survey in 2023 and early 2024 by a team from the University of Tübingen, a consortium partner, and MCII.

During the field visits guest lectures were held at the Hue University International School, another consortium partner, on the applied ECA methodology to facilitate knowledge transfer between MCII and the participating students, experts and lecturers.



CLIMATE RISK

FINANCE SOLUTIONS

INCREASING THE RESILIENCE OF INDIVIDUALS, COMMUNITIES AND SOCIETIES IN THE FACE OF EXTREME WEATHER EVENTS THROUGH INNOVATIVE FINANCIAL SOLUTIONS

The Climate Risk Finance Solutions team is dedicated to increasing resilience and improving the financial preparedness of the poorest and most marginalized individuals to cope with climate risks. To this end, we develop and facilitate the introduction and scaling up of sustainable and inclusive climate disaster risk finance and insurance (CDRFI) solutions, for example, parametric weather (or index) insurance products.

Evidence is at the heart of our approach. We link evidence with implementation to better understand the need for and impact of CDRFI solutions. Moreover, we strive to build and share evidence and expertise on available, affordable, and appropriate CDRFI solutions for the most vulnerable individuals, communities, and societies. Through knowledge-sharing and capacity-building initiatives, we empower stakeholders to adopt and implement these solutions effectively.

In addition, we actively engage in establishing and nurturing partnerships with public and private stakeholders, practitioners, and Academic partners. These partnerships are crucial in creating enabling environments conducive to the success and scalability of CDRFI initiatives. By fostering collaboration and collective action, we aim to maximize the impact of our efforts and create sustainable change at both local and global levels.



ENHANCING FINANCIAL RESILIENCE THROUGH SUSTAINABLE CDRFI SOLUTIONS FOR VULNERABLE COMMUNITIES

CDRFI solutions are essential for helping individuals, communities, institutions and countries around the world cope with, and adapt to, the growing threats of climate risks. By developing and promoting financially sustainable approaches, connecting evidence with implementation, and building and sharing expertise on available, affordable and appropriate solutions, we strive to ensure that the most vulnerable are not left behind. These efforts aim to provide meaningful protection against climate-related hazards.

Nonetheless, several persistent questions continue to shape discussions within the CDRFI community. These include how to sustainably scale inclusive and affordable parametric insurance solutions, what roles various stakeholders can and should play in enabling that scale, how to effectively assess and demonstrate the impact of these solutions, and how to design them in ways that actively incentivize and support risk reduction, nature conservation, and ecosystem restoration.

Throughout 2024 and 2025, the Climate Risk Finance Solutions Team engaged deeply with these questions from various entry points, contributing to the broader understanding and advancement of effective CDRFI strategies.



ACHIEVING REGIONAL OWNERSHIP: SCALING UP INCLUSIVE INSURANCE IN THE CARIBBEAN

When Hurricane Beryl struck the Caribbean in June 2024, we were reminded of why inclusive climate insurance is essential. While sovereign insurance payouts were made to governments, thousands of smallholder farmers, fishers and informal workers were left without protection. Many struggled to recover in the limited access of individual-level coverage. The protection gap was once again clearly visible.

The Livelihood Protection Policy (LPP), a parametric microinsurance product developed under the CRAIC project, is designed to provide rapid payouts for income loss due to high wind and excess rainfall. The CRAIC project is implemented by MCII in partnership with the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF SPC), with support from Germany's Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety (BMUKN) through the International Climate Initiative (IKI).

In December 2024, CCRIF SPC became the first sovereign risk pool in the world to take full responsibility for modelling and calculating a microinsurance product. We supported CCRIF SPC in developing a new LPP model based on its sovereign-level infrastructure and regional climate data systems. This transition significantly improved cost-efficiency, strengthened technical credibility, and laid the groundwork for scaling the product to additional countries in the region. We also supported the regulatory approval process for local insurers, particularly in Trinidad and Tobago, where a microinsurance framework is still absent, by exploring alternative pathways informed by experiences in other jurisdictions. In parallel, we began developing training and onboarding tools to help current and future insurers adopt and deliver the LPP more widely across the Caribbean.

At the same time, we continued to strengthen the evidence base for inclusive insurance. With our guidance, the University of the West Indies (UWI) completed research across all five CRAIC pilot countries. The studies explored behavioral drivers of uptake, barriers to access, and opportunities to link microinsurance with disaster preparedness and social protection systems. Early insights from this work have already informed our technical engagement with national stakeholders.

This year marked a turning point. By anchoring the LPP within CCRIF SPC, we moved from pilot delivery toward sustainable regional ownership. We laid the foundation for inclusive climate risk insurance to scale across the Caribbean and reach the people who need it most.

IMPACT OF FIRST PARAMETRIC CLIMATE RISK INSURANCE PAYOUTS FOR INDIVIDUALS IN THE PACIFIC

Since 2021, UNU-EHS, through MCII, has led the research workstream of the Pacific Insurance and Climate Adaptation Programme (PICAP), alongside UNCDF and UNDP. The programme aims to strengthen Pacific communities' resilience by introducing and scaling micro- and meso-level parametric climate risk insurance products.

From January 2023 to March 2024, payouts totalling FJD 291,450 (USD 130,000) were triggered in Fiji following severe rainfall, benefiting 1,680 people—mainly in the Western and Northern Divisions—through rapid digital disbursements. Consequently, we conducted a study to assess the impact of these payouts on policyholders' post-hazard resilience, in partnership with Fiji's Ministry of Agriculture and Waterways (MOAW).

The survey sample consisted of 600 individuals, including 480 insurance policyholders who had received between one and three payouts, and 120 uninsured individuals from the same communities. Women made up 45% of the sample, and men 55%. Participants were located across four Tikinas in Fiji's Ba Province: Ba, Nadi, Tavua, and Vuda. Data collection took place between September 2024 and February 2025.

The findings offer valuable insights into the role of insurance in strengthening policyholders' post-hazard resilience:

- Payouts address immediate needs – Most recipients used their payouts to purchase essential items such as food and water or to repair damaged homes. Many farmers reinvested in seeds, tools and fertilizer, helping them resume agricultural activities swiftly.
- Emotional relief for communities – While payouts did not cover total losses, over 60% of policyholders reported that receiving a payout significantly or somewhat reduced their anxiety and uncertainty following the climate shocks.
- Desire for broader coverage – Recipients valued the product's affordability, accessibility, and speed of disbursement. However, many expressed a desire for expanded coverage to include a wider range of climate-related hazards beyond rainfall and wind.
- Awareness remains a barrier – Participants, particularly those who were uninsured, emphasized the need for clearer information, targeted outreach, and support to better understand how parametric insurance works and how it could benefit them.

Further analysis is ongoing. Insights inform future product development, distribution strategies and awareness-raising efforts. Initial findings were presented at COP29 in Baku (November 2024) and discussed in a high-level webinar attended by 150 stakeholders in March 2025. The results were also shared at the CDRFI Expert Dialogue in Bonn (June 2025).

This research generates evidence that contributes to bridging knowledge gaps and supports MCII's impact pathway on linking evidence with implementation. As PICAP moves forward, the findings from this study will be used to refine the programme's approach.



EXPLORING INSURING NATURAL CAPITAL: HOW CDRFI MECHANISMS CAN SAFEGUARD LIVELIHOOD-SUPPORTING ECOSYSTEMS

Nature-based Insurance Solutions (NBiS) are already protecting coral reefs, mangroves and coastlines, but only in a few places and for a few communities. Existing examples remain small in scale and often overlook critical questions about who benefits and who bears the costs. When ecosystems fail, livelihoods collapse. This raises an important question of how climate risk insurance can help expand protection for these ecosystems to also protect the livelihoods in ways that are fair and equitable for the most vulnerable.

This past year, we focused our work on the equity and fairness considerations of these nature-based insurance solutions, ensuring they not only safeguard natural capital but do so in ways that prioritise the most vulnerable people who rely on healthy ecosystems for food, income and security. For nature-based insurance to truly support resilience, it must work for those who rely most directly on healthy ecosystems to survive.

With this in mind, we focused our efforts on understanding what it would take to expand these approaches equitably. We worked alongside partners to examine frameworks and ideas that connect insurance, nature protection and livelihood security, always putting equity and fairness at the center.

In October 2024, we co-hosted an expert workshop in Munich with MCII and the NATURANCE initiative, gathering 15 – 20 specialists from insurance, investment and nature-based solutions. Together, we explored the practical conditions needed for nature-based insurance to succeed from stronger business cases and risk assessments to governance models that deliver fair outcomes for communities.

We continued this exploration through a joint MCII – London School of Economics and Political Science session held at “Scaling Insurance Impact for Communities and Ecosystems” expert workshop organized by The Nature Conservancy in London. This session brought together voices from conservation, academia, the insurance industry and the humanitarian and development sectors to look closely at how pro-poor principles developed by MCII in 2016, and equity considerations, can guide the scaling up of nature-based insurance solutions.

This work directly supported our goal to develop and facilitate financially sustainable CDRFI solutions for the most vulnerable and low-income groups. By building and sharing expertise on available, affordable and appropriate solutions, we contributed new insights to a growing community dedicated to innovative, fair and effective climate risk insurance. Through these partnerships and dialogues, we contributed new insights to a growing community dedicated to climate risk insurance that protects both nature and livelihoods.





FROM EVIDENCE TO ACTION: ADVANCING SUSTAINABLE CDRFI SOLUTIONS

The Climate Risk Finance Solutions team operates at the intersection of research, implementation, and practice—driving the development and ongoing refinement of sustainable solutions that enhance the financial resilience of communities most vulnerable to climate change. By supporting the rollout of innovative approaches, studying their impacts, and exploring ways to overcome persistent challenges, we help strengthen the practical knowledge base of the Climate and Disaster Risk Financing and Insurance (CDRFI) community. We also actively engage with diverse stakeholders, fostering dialogue and exchange around these lessons learned and best practices.

FURTHER IMPACT HIGHLIGHTS

FINANCE SOLUTIONS

1

Deepening the Case for Climate Risk Insurance in Anticipatory Action

In the first half of 2025, we built on last year's momentum to strengthen the case for using climate risk insurance to enable anticipatory action. Our 2024 study laid critical groundwork, with a scientific paper and policy brief developed as core outputs — both currently under review.

To advance this work, we partnered with the Anticipation Hub to co-author a joint discussion paper titled "Leveraging Climate Risk Insurance for Anticipatory Action: Insights and Emerging Lessons." Drawing from six comparative case studies across macro, meso, and micro levels, the paper explores how insurance is being adapted to fuel anticipatory action.

In March 2025, we presented the paper's initial findings at the Humanitarian Networks and Partnerships Week (HNPW) in Geneva, during an expert session that included case contributors. The paper was officially launched in June 2025 at the Future of Climate and Disaster Risk Finance and Insurance (CDRFI) Expert Dialogue in Bonn.

Expert engagements have reinforced a notable shift in discourse: anticipatory insurance is no longer viewed as a theoretical innovation but as a practical tool increasingly tested in diverse contexts. However, several challenges persist.

These include ensuring trigger accuracy and threshold calibration, strengthening operational readiness to act once funds are released, and establishing premium support mechanisms that are sustainable beyond donor funding. Issues of trust, institutional scepticism, and limited integration within broader disaster risk management systems also affect uptake and scalability.

As momentum builds, the focus must now turn to mainstreaming these instruments at scale, with attention to governance, local ownership, and system-wide integration.

2

New Evidence for the LPP From the CRAIC Research Collaboration

Under the Climate Risk Insurance Research Collaboration (CRIRC), we partnered with the University of the West Indies (UWI), Mona Campus to better understand how climate risks are shaping everyday life and business across the Caribbean. Our research covered Belize, Jamaica, Trinidad and Tobago, Grenada and St. Lucia, engaging directly with farmers, fishers, and small tourism operators who live with climate impacts every day.

Through over 400 surveys, and around 40 in-depth interviews in each country, we explored how people perceive and respond to risk:

- What hazards they are exposed to and how these affect their livelihoods.
- The adaptation measures they are already taking.
- What kinds of financial and non-financial support they need after disasters.
- How familiar they are with insurance and other disaster risk financing options.

The study is now complete. Five country reports have been submitted by UWI, and we are preparing country fact sheets to share first findings more widely. Early insights from this research, undertaken to inform the LPP relaunch, have already been shared with stakeholders, including at a CCRIF SPC meeting in Miami in February 2025, and at the Future of CDRFI Expert Dialogue in Bonn (June 2025), helping to shape more effective and inclusive climate risk solutions for the region.

Based on the workshops, the PICAP team is developing new partnerships for implementation and increased access to climate risk insurance solutions in the Pacific.

3

From Evidence to Action: Discussing new evidence and implications for the future of Climate Disaster Risk Finance

In June 2025, we at MCII, alongside UNU-EHS, CVF-V20, the Global Shield Secretariat, and UC Davis, organized and co-hosted the Expert Dialogue: The Future of Climate and Disaster Risk Finance: From Evidence to Action in Bonn and online. It brought together over 100 leading experts from the community to identify what's needed to accelerate action in CDRFI.

Three years after the Strategic Evidence Roadmap for CDRFI's launch, the dialogue offered an opportunity to assess progress, share new evidence, and address calls for more equitable, impactful, and scalable climate risk finance solutions. This was vital given global financial shifts and climate-vulnerable communities' urgent needs.

Over two days, participants engaged in over 15 sessions. Discussions built on the 2021 Evidence Roadmap, focusing on new developments, effective strategies, and persistent challenges. Key topics included affordability, inclusive design (with gender considerations), and real-world experiences from diverse sectors and communities in the Global South. The dialogue effectively linked evidence to policy, discussing new guidelines for integrating disaster risk finance into National Adaptation Plans, with insights from countries like Costa Rica, Malawi, Ghana, and Nigeria.

We also bridged research and practice with sessions on anticipatory action, food security, grassroots inclusion, and scaling micro-level insurance. Future architecture and evolving risk finance tools were also explored.



climer

In the face of environmental change and a growing number of weather extremes, vulnerable people and countries need support in employing effective strategies to manage risks and unexpected shocks and building resilience to climate impacts. In recent years, a professional community comprised from different sectors has emerged, focusing and engaging on climate and disaster risk finance and insurance. Currently, however, within CDRFI decision-making processes, younger representation is notably absent. To address this critical gap, and to empower early career professionals to individually and collectively make a difference, MCII created the climer programme.

climer: Fostering the Next Generation of CDRFI Actors

In 2024, MCII launched the first global network aimed at young professionals in the fields of Climate and Disaster Risk Finance and Insurance. This initiative seeks to bridge the gap between the Global South and North, fostering a platform for knowledge exchange and collaboration.

To date, there has been a noticeable lack of platforms dedicated to directly facilitating global interactions among young professionals in these vital sectors. MCII's new network aims to change that by creating specialized opportunities for capacity-building and professional growth. By connecting young professionals from diverse regions and professional fields, the initiative hopes to foster meaningful collaboration and knowledge exchange, ultimately supporting both personal growth and professional advancement on a global scale.



GLOBAL PERSPECTIVES – CONNECTING DIVERSE VOICES ACROSS SECTORS

MCII is thrilled to invite young professionals passionate about Climate and Disaster Risk Finance and Insurance (CDRFI) to join this innovative network. The initiative offers a unique platform where they can become a changemaker in the insurance industry and influence important national and international processes. The programme reaches out to participants (from the global south and north) with backgrounds in the insurance industry, members of the public sectors, academia and NGOs, involved in the implementation of financial protection.

'climer,' combines the idea of 'CLIMBER'—representing career growth—with 'ME', highlighting the personal development focus of the programme. Through climer, MCII aims to empower participants to shape their professional journeys, maximizing both personal development and contributions to the broader CDRFI field.

LEARN, INSPIRE, DEVELOP, DO

The CLIMER programme is designed to empower young professionals in the field of Climate and Disaster Risk Finance and Insurance (CDRFI) through a comprehensive framework built on four key pillars. Given its global reach, the programme utilizes virtual meetings as its primary mode of engagement, ensuring accessibility across all regions. While the course involves a fee, scholarships will be available for those who cannot afford it, thanks to external sponsorship. Participants who complete the programme will receive a certificate to add to their professional credentials.

Each learning pillar is comprised of online seminars, self-paced learning modules, and other flexible engagements. The first section of the programme spans four months and includes orientation webinars and background reading to establish a foundational knowledge of CDRFI for all participants.

In the second part of the programme, Participants transition to collaborative group projects, fostering self-organized teamwork. This phase also includes regular fireside chats with prominent CDRFI leaders, creating opportunities for mentorship and insight into the field. This structure ensures an engaging and comprehensive learning experience, promoting both individual growth and collective innovation.

The climer programme offers a transformative journey that equips young professionals with the knowledge, skills and connections needed to drive significant impact in the field of Climate and Disaster Risk Finance and Insurance.





CULTIVATING FUTURE LEADERS IN CDRFI: THE STORY OF THE FIRST CLIMER PROGRAMME COHORT

The inaugural cohort of the Climer Programme represents an exciting moment in our collective effort to cultivate the next generation of leaders in CDRFI. We designed and guided a year-long programme that brought together an extraordinary group of participants from around the world. From conceptualizing the session flow, to curating expert-led discussions, organizing inspiration dialogues, and offering support to the cohort, we worked to create a learning environment that was both technically rigorous and strongly oriented toward supporting the climbers' career growth.

We organized every session with intention, balancing technical training, skill development, peer exchange and inspiration from experts in the field, ensuring that participants felt supported not only as professionals, but as individuals navigating their new careers. Whether coordinating across multiple time zones, facilitating connections with experts, or being present as sounding boards, our role was to create a space where climbers had the opportunity to grow and collaborate together.

What unfolded over the year greatly exceeded our expectations. The cohort embraced the programme with curiosity, openness, and motivation. They pushed conversations forward, learned from one another, and developed Agency & Change Projects that showcased creativity, commitment, and interdisciplinary thinking. Throughout the year, we were continually encouraged by their thoughtful feedback, expressing how much they were learning, how useful the sessions were, and even what we could do differently. Their willingness to share insights, offer suggestions, and openly reflect on their experiences helped us strengthen the programme in real time.

One of the most rewarding aspects of the journey was witnessing the relationships that formed within the cohort. Despite being spread across continents and time zones, the climbers collaborated seamlessly, supported each other's ideas, and built genuine friendships through the course of the year.

As we reflect on this remarkable first year, we feel immense gratitude for the climbers who trusted us and helped set the foundation for all future cohorts of the programme. Their stories, which follow, capture the heart of this inaugural journey: personal transformation, collaborative learning, and a shared belief in the power of inclusive, resilient climate action.



FROM CURIOSITY TO CONFIDENCE: MY EXPERIENCE IN THE CLIMER PROGRAMME

After a long day, I came across a post announcing a new initiative called the *CLIMER Programme*. I almost scrolled past it – finance and insurance didn't seem to belong to my world of geospatial technologies, but something about it made me pause. As I read more, curiosity overcame hesitation. The programme's content and objectives aligned with my interests more than I expected. So, I decided to apply – why not?

The programme offered exactly what I was looking for: the chance to discuss and exchange ideas with participants from diverse parts of the world, to step outside my usual field and explore development strategies through the lens of Disaster Risk Finance and Insurance, and to learn directly from influential experts. This truly resonated with what I enjoy the most, learning through collaboration and exposure to new ideas. I was thrilled to be accepted into the programme, and soon I discovered that it was much more than I had expected.

I clearly remember our first session, the CLIMER Programme Launch – which was made even more special because it took place during COP29 in Baku. It was our first group interaction, and the programme was kicked off by its first inspiration fireside led by Lesley Ndlovu, formerly the CEO of the African Risk Capacity (ARC). He shared valuable insights on disaster risk financing projects across Africa and generously shared how these projects have evolved over time, as well as the challenges they continue to face. I must admit that I struggled to understand some of the technical terms at first, and I felt challenged to deepen my knowledge so I could actively participate in the following sessions.

My initial shyness quickly faded, and during the session with Dr. Smita Premchander, I found myself eager to ask questions and better understand something so powerful and new to me, the idea that financial tools can also be instruments of empowerment when viewed through a Gender Equality and Social Inclusion (GESI) lens. I couldn't stop thinking that if we don't question gender norms or work to address structural injustices, it becomes difficult to truly recognize women as agents of development. When climate events occur, they may affect everyone, but not in the same way, and acknowledging these inequalities is what gives our actions real meaning and purpose. These reflections encouraged me to stay curious and open-minded as the programme unfolded.

As the sessions progressed, I felt a more natural connection with the topics, while I could also see our group evolving – we began to participate more confidently and to exchange valuable experiences with the experts. The lessons from both technical and inspirational sessions conveyed messages deeply connected by a common thread: commitment. We learned that the success of public-private collaboration projects relies, above all else, on the genuine commitment of all parties to make a meaningful difference. This idea resonates with another powerful insight: climate change is not a discipline, but a challenge that demands commitment, cooperation and perseverance.

Throughout this journey, I have discovered elements that nurture growth and open new paths to strengthen my career, as well as inspiration to keep engaging in transformative projects just as we did through this first edition of the CLIMER Programme. The excitement and collective pride we felt were evident as we witnessed the creativity, innovation, and effort it took to coordinate across multiple time zones and bring our “Agency & Change Projects” to life.

It was through the interaction with my peers, our facilitators and the experts that I realized something important: we often think our hemispheres are divided, yet it is through education, cooperation, and mutual support – as we experienced in the CLIMER Programme – that we remain united, working together as change-makers.



Sofía Roncancio

Climer Programme – Inaugural Cohort Participant





STRENGTHENING SKILLS & PERSPECTIVE: WHAT I LEARNED FROM A YEAR OF GLOBAL PEER EXCHANGE

As a new mum with a 3-week-old, I had so many apprehensions about how I would cope with the programme as I logged into the inaugural session of the CLIMER programme last November. Coincidentally, I write this piece exactly a year from then, now graduated from the programme and having not only coped, but thoroughly enjoyed the experience.

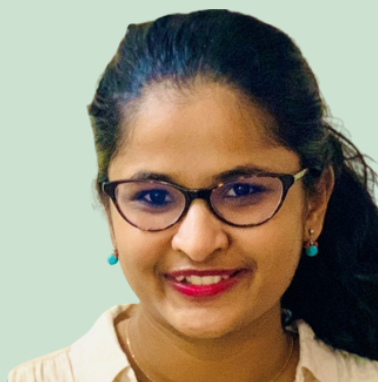
A year-long programme with cohort-mates from across the world, with diverse backgrounds, was an incredibly enriching experience. I learnt a lot from the various sessions with experts in the insurance sector, and my technical knowledge on Climate Risk Insurance (CRI) is a lot stronger than it was when I started the programme. The inspiration sessions helped in showcasing the various paths I could take and helped provide role models one can look up to while dreaming of a career in CRI.

As a young professional, this was incredibly useful. The skill-building sessions helped hone all those skills which will prove truly invaluable. It helped me think of my skills more holistically. The best part of the sessions were that they compelled you to think. The flexibility in the design of the programme allowed me time and space to find my own interests in the CRI ecosystem. It helped provide the much-needed motivation to better myself as a professional but also allowed for the much-needed intellectual creativity.

This was reflected at its best through the Agency and Change projects - a six-month unstructured, unsupervised passion project, which proved to be an incredibly enriching experience. As part of a team that was so diverse across experience, backgrounds and time zones, I spent six months designing a business model for CRI. We conducted interviews with experts across the board who helped provide us with much-needed perspective. I learnt through all these interviews that in order for a robust functionality of any business ecosystem, it requires collaboration amongst stakeholders with seemingly diametrically opposite incentives.

The need to look at what we have in common is more important than our differences when trying to arrive at solutions. As someone who loves numbers and is deeply rooted in wanting evidence-based models, this project compelled me to learn from my cohort-mates the benefit of looking at viability through a non-conventional lens. My skepticism was addressed through weeks-long brainstorming sessions where we engaged in the good old debate of numbers vs. value/ideology-based. I learnt the nuanced skill of holding onto one's approach while holding space for a diametrically different approach, which I believe will be one of my most significant takeaways from this programme. It taught me to be more flexible in my approach towards problems, and embrace the merit of an interdisciplinary approach.

Throughout the programme, invariably, through various threads, the power of collaboration always came to the surface. Let it be through our hangout sessions, or being able to access the wide network of CDRFI professionals that MCII has access to, or being able to always reach out to a cohort-mate to brainstorm an idea. It taught me the value in listening to a diverse set of voices especially when working on difficult problems. As a lawyer turned climate change consultant, who has worked in the global-south, I entered this programme with a set of strongly held belief systems on inclusivity and affordability - particularly in the global-south. Over the course of the year, through various sessions and conversations my convictions were challenged, and rightfully so. I have turned into a more flexible thinker who can comfortably contest my closely held convictions. Overall, this programme has given me cohort-mates and access to a network who I can always reach out to as I build a career in this space.



Namratha Keshava

Climer Programme - Inaugural Cohort Participant





04. INTERNAL FRAMEWORKS

FINANCIAL HIGHLIGHTS

After my second year as treasurer, I am delighted to present a summary of the 2024 annual financial statement.

As in the previous years, our long-standing tax advisor Weckbecker & Partner prepared the financial statement. In 2024, we recorded an income of €421,437 and expenses of €439,189, resulting in a deficit of approximately €17,752. This shortfall was covered by our reserves and is lower than projected, indicating that our financial strategies are beginning to show positive results. We close the year with reserves of €245,339, providing a solid foundation for the future.

Both income and expenditure have decreased compared to the previous year. This is primarily because most project funding is directed to UNU-EHS, the host organization of the MCII project office, in accordance with our hosting agreement. Despite recent geopolitical challenges, the demand for our expertise and projects remains robust, and project funding appears stable.

In 2024, we launched CLIMER, a programme designed to empower young professionals to drive change within the climate insurance industry and key national and international processes. The incoming funding for CLIMER underscores the programme's importance and demand.

Looking ahead to 2025, we aim to achieve financial sustainability by attracting donations and introducing a membership fee. This will ensure that MCII e.V. can continue its mission to support vulnerable populations and do so sustainably.

The significant impact of MCII through its projects and personal commitments is truly inspiring. I would like to extend my thanks to our Members and to the project office team for their dedication and professionalism.

Our commitment to developing solutions that provide better financial protection against climate risks for vulnerable populations has never been more crucial.

Thank you for your continued support.



THOMAS HIRSCH
MCII Treasurer

FINANCIAL OVERVIEW

The Munich Climate Insurance Initiative (MCII) e.V. was established in April 2005. Since 2008, it is registered as a German non-profit association (e.V.) with the Bonn District Court (VR 8896). The MCII e.V. annual financial reports are prepared by specialized tax accountants each year according to applicable codes and by use of certified accounting software. Additionally, to promote reliability and accountability, MCII's books are audited each year by an internal auditor from the membership to meet the association's legal non-profit obligations.

In the overviews presented below, we highlight the reporting period of January 2024 to December 2024. The association's balance shows its financial position at the end of the year. The number of listed assets is limited due to our specific hosting arrangement with the United Nations University Institute for Environment and Human Security (UNU-EHS).

MCII E.V BALANCE (EUR) AS OF 31.12.2024

Assets	2024	2023	Liabilities	2024	2023
Liquid asset (Cash equivalents)	173,201.81	268,665.39	Equity	245,339.73	263,092.25
Accounts receivable	74,469.54	11,770.00	Accounts payable	15,624.73	12,344.14
Intangible asset	1	1	Other liabilities	3,500.00	5,000.00
Other assets	14,000.00				
Prepaid expenses	2,792.11				
	264,464.46	280,436.39		264,464.46	280,436.39

MCII E.V. PROFIT AND LOSS STATEMENT (EUR) AS OF 31.12.2024

	Total	I. Not-for-Profit Operations (ideeller Bereich)	II. Tax Neutral Operations (ertrag-steuerneutrale Posten)	III. Interest Gain (Vermögens-verwaltung)	IV. For-Profit Operations (sonstige Zweckbetriebe)
Non-taxable grants	265,110.00	265,110.00	-	-	-
Donations	10,000.00	10,000.00	-	-	-
Consulting income	146,327.45	-	-	-	146,327.45
Project expenditure (incl. subcontracting)	-437,625.08	-299,009.50	-	-	-138,615.58
Other operational expenditure	-1,564.89		-	-182.21	-1,382.68
	-17,752.52	-23,899.50	-	-182.21	6,329.19

Over the years, MCII has fostered strong and effective working relationships with its donors and partners. The funds entrusted to us are allocated to dedicated projects in a cost-efficient manner and in compliance with the respective contractual obligations. All projects are aligned with MCII's mission statement.

PROJECT DONORS AND THE MONETARY VALUE OF THEIR CONTRIBUTION

Project Donors	2024
1 CARE Deutschland	49,098.74
2 Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV)	265,110.00
3 Munich Re Foundation	10,000.00
4 United Nations Development Programme (UNDP)	93,746.13
	417,954.87

Notes: Ordered alphabetically. Income from individuals for CLIMER are not listed above.

As previously noted, the majority of project funding was received and administered directly by our host organization, UNU-EHS. Consequently, these funds are not reflected in MCII's financial statements.

As illustrated above, MCII closed the financial year 2024 with reserves totaling EUR 245,339.73. In the event of the association's dissolution, any remaining funds will be directed toward non-profit purposes, in accordance with the provisions outlined in MCII's Charter.

HOSTING AND COLLABORATION

The United Nations University (UNU) is the academic arm of the United Nations and acts as a global think tank. The mission of the Institute for Environment and Human Security (UNU-EHS) is to carry out cutting edge research on risks and adaptation related to environmental hazards and global change. This includes areas such as environmentally induced migration and social vulnerability, ecosystem services and environmental deterioration processes and models and tools to analyze vulnerability and risks linked to natural hazards. The institute's research promotes policies and programmes to reduce these risks, while considering the interplay between environmental and societal factors. Research is always conducted with the underlying goal of connecting solutions to development pathways.

UNU-EHS shares MCII's goals to find possible ways to reduce risks and vulnerabilities of people particularly affected by the adverse effects of climate change. Both organizations support decision-makers with evidence-based research and informed policy recommendations. Our partnership is characterized by complementing UNU-EHS' portfolio of topics through its particular focus on developing public-private protection mechanisms and insurance-related solutions for those most vulnerable to climate change.

We have been a long-time partner of UNU- EHS reaching back to 2005. Currently, Dr. Zita Sebesvari represents UNU-EHS within our board as the Deputy Director of UNU-EHS.

Our project activities at MCII are predominantly implemented through the MCII Project Office, which acts as an academic section within the UNU-EHS system. Our operational work, thus, is fully embedded within UNU-EHS. By focusing on risk transfer and financial protection approaches, our team complements other UNU-EHS sections' research objectives and programmes. Such concrete project-level cooperation takes place through implementing joint activities and projects.

Furthermore, we participate in the Joint Master Programme "Geography of Environmental Risks and Human Security" by sharing MCII's experiences in the application of CDRFI approaches via the three core working areas (Policy & Governance; Analytics; Finance Solutions). The Master is an international degree programme with a research-oriented profile, and it is jointly offered by UNU-EHS and the University of Bonn.

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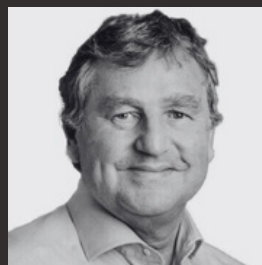
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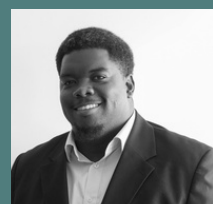
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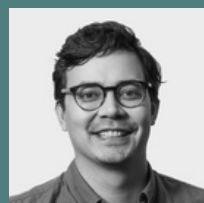
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**INITIATIVE
COORDINATOR**
UNU-EHS



SABRINA ZWICK

**ASSOCIATE PROGRAMME
SUPPORT OFFICER**
FINANCE &
ADMINISTRATION
UNU-EHS



ASSOCIATED PROJECTS

PLEASE NOTE ALL PROJECTS MARKED WITH AN ASTERISK (*) ARE LED BY UNU-EHS

Assessing Financial Needs for Implementing UNCCD National Drought Plans and Drought-Related Processes*

July 2023 – November 2024

Countries and Territories: Cambodia, Central African Republic, Colombia, El Salvador, Ethiopia, Ghana, Niger, Philippines, Viet Nam

Climate Risk Adaptation and Insurance in the Caribbean (CRAIC)

March 2011 – Dec 2024

Countries and Territories: Belize, Grenada, Jamaica, St. Lucia, Trinidad & Tobago

Contribution to the Multi-Actor Partnership for Pro-Poor & Gender-Equitable Climate Risk Financing in the Context of the IGP's 2025 Vision (MAPs)

June 2023 – March 2026

Countries and Territories: Antigua and Barbuda, Barbados, Dominica, Grenada, Jamaica, Philippines

Country Climate Fact Sheets, incl. Standardization of Climate Risk Analysis*

December 2023 – Dec 2024

Enhancing Risk Assessments for Improved Country Risk Financing Strategies (ERA)*

April 2023 – November 2024

Countries and Territories: Egypt, Thailand

Financial Management and Policy Planning for Risk Financing: A Comprehensive Architecture towards Resilience

March 2024 – August 2024

Integrating Ecosystem-based Approaches into Flood Risk Management for Adaptive and Sustainable Urban Development in Central Vietnam (FloodAdaptVN)*

August 2019 – March 2025

Countries and Territories: Vietnam

Investing in Disasters and Climate Resilience in Niger*

March 2023 – August 2024

Niger

Large-Scale Transformation towards Biodiversity-Friendly, Climate Resilient Agriculture through Risk Finance Solutions and Enabling Policy and Trade Frameworks (BioFinCas)

August 2023 – July 2031

Countries and Territories: Dominican Republic, Guatemala, Mexico

MCII Contribution to the G7 Initiative on Climate Risk Insurance (G7)

Feb 2015 – Sept 2025

Pacific Insurance and Climate Adaptation Programme*

Jan 2021 – Dec 2025

Countries and Territories: Fiji, Vanuatu

V20 SIF Acceleration*

Jan 2023 – Dec 2024

Countries and Territories: Bangladesh, Barbados, Costa Rica, Fiji, Ghana, Jamaica, Malawi, Pakistan, Philippines, Samoa, Senegal, Tonga, Uganda

Vulgarisation of the Climate Vulnerability Monitor, 3rd Edition*

April 2023 – December 2024

UNU-UNFCCC Loss & Damage and Resilience Priorities*

Oct 2023 – March 2025

MEMBERS OF MCII

DO YOU WANT TO JOIN MCII AS A MEMBER?

The initiative brings together insurers, climate experts, economists and independent organizations. MCII is open for additional members, e.g. representatives from other insurance or reinsurance companies, climate change and adaptation experts, NGOs and policy researchers seeking solutions to the risks posed by climate change.

We would like to particularly encourage applications from Civil Society Organizations from the global south to improve our efforts to feature the voices of communities exposed to the impacts of climate change. We are committed to diversity and inclusion at MCII and encourage participation especially from all genders, nationalities and religious and ethnic backgrounds to apply and become part of the organization.

[Click Here to Apply Now!](#)

Aaron Oxley

AAccountability

Armin Haas

GCF - Global Climate Forum
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