



# ANNUAL REPORT 2020



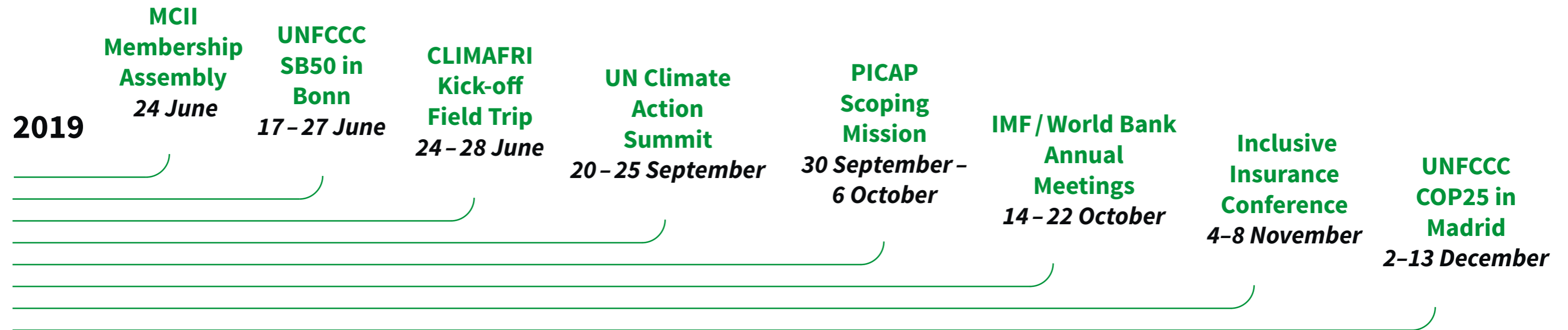
JUNE 2019 – JUNE 2020

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# HIGHLIGHTS



## 2020



\*Please note, this list is not comprehensive and does not depict all of the activities MCII was involved in during the reporting period.

\*\*Due to the COVID-19 Pandemic, MCII was unable to participate in many of the planned events during 2020.

## Dear Members, Partners, Colleagues and Friends,

COVID-19 is unfolding as a global disaster. It shows the various vulnerabilities against this silent threat. And while it has global reach and huge impacts on people and livelihoods, it also shows the disparities among different countries and within countries. People of middle and high income levels have access to sanitation to prevent the immediate spread and they can by and large rely on good medical care. People in poverty, however, have little in terms of financial protection, and they are forced to continue their daily work putting their own lives at risk.

While during the next weeks and months, we will need to focus on the immediate response – helping to reduce human losses and hardships – it is important to maintain a long-term perspective. MCII has warned of the dangers of climate change, and its disproportionate impacts on the poorest people, communities and countries for the past 15 years. Climate change, like COVID-19, is a global threat with future consequences and potential for irreversible disruption dwarfing that of global pandemic risks. Much of the immediate destruction of extreme weather events like floods and tropical storms are visible. Invisible, however, are the immaterial damages to rural economic activity, to livelihoods and to people's wellbeing and aspirations in general. COVID-19, which does not cause physical damage to infrastructure, shows how big the economic, human and social damage of such silent disasters can be.

MCII was founded in 2005 as the non-profit think tank looking for insurance-linked approaches in providing better financial protection and safety nets to vulnerable populations in respect to climate change. Together with our host-organization, the United Nations University – Institute for Human and Environmental Security, we have been very successful over the past 12 months. Based on our mission, and for our constituencies, we managed to shape global discourses with the InsuResilience Global Partnership and the climate risk agenda within the United Nations Framework Convention on Climate Change. We helped vulnerable countries to initiate the Sustainable Insurance Facility, supporting them to better protect their small and medium enterprises. We also started to work on new topics such as adaptive social protection, disaster risk finance strategies and risk analytics. We initiated active dialogues between members from academia, the private sector, civil society and development practitioners. This annual report features a strong record of the combined impact of the MCII members and the MCII project office.

From our work on climate risks, we know that with major disasters comes the opportunity to refocus on risk management and to start ambitious initiatives. We hope, and we will push, that the current crisis will elicit a new sense of urgency at all levels to work on global threats in a cooperative way. This means providing solutions – such as climate risk insurance embedded in risk mitigation – catering to the needs of vulnerable populations. It also comes with a heightened sense of global solidarity as well as responsibility towards those that are affected most by global threats, but have not contributed to the causes.

We hope that you are inspired by the work we are doing at MCII and enjoy reading this annual report covering June 2019 – June 2020.

Sincerely yours,

**Peter Hoeppe**  
*Chairman*



**Soenke Kreft**  
*Executive Director*



# 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 along current trajectories.

## DEVELOPING COUNTRIES MOST EXPOSED

The loss burden is most severe in vulnerable developing countries, and within these countries, 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 per cent 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 communities and countries need support to employ 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. Preventative 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 and foreseeable risks, such as sea level rise. Here, alternative risk management solutions need to be brought to vulnerable communities.

## FOSTERING INTERNATIONAL DIALOGUE

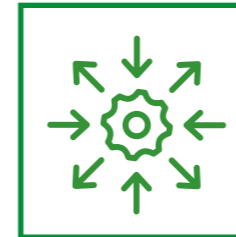
The United Nations Framework Convention on Climate Change (UNFCCC) and its Paris Agreement, the Sendai Framework for Disaster Risk Reduction, the Addis Ababa Action Agenda on Financing for Development, the Sustainable Development Goals, and also specific processes in the G20 and V20 provide the potential for international cooperation towards a systematic global approach on climate risk insurance. To add value 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.



We look to find and promote 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 our unique set-up as a non-profit think tank and incubator, we provide a forum to explore solutions in creating incentives and changing structures for risk reduction for people with no access to risk management. Presently, this particularly applies to 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:



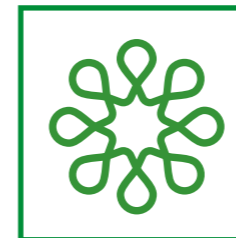
#### **Integrated approach**

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



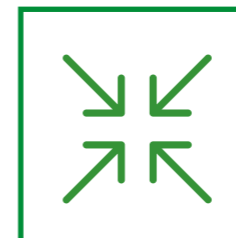
#### **Economic efficiency**

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**

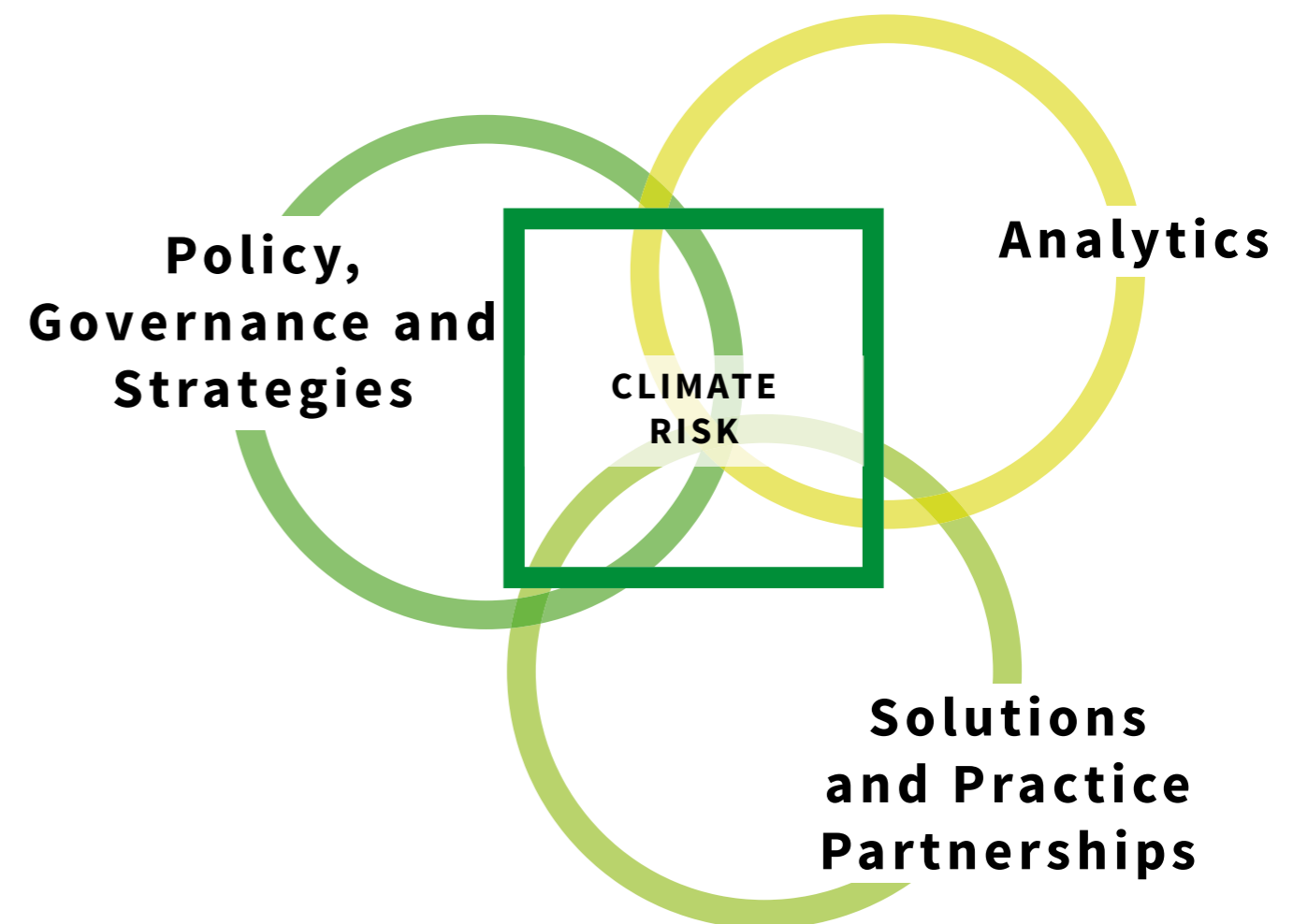
Insurance-related solutions should be grounded on a human rights-based approach that strives for an inclusive, meaningful and accountable involvement of the people they are intended to serve to effectively meet their needs and contribute to their empowerment.

The protection and insurance mechanisms we promote aim to foster a socially, ecologically and economically sustainable development process, particularly in low-income regions strongly affected by climate change.



### 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 aspects of climate risk:



# Policy, Governance and Strategies



## GOVERNANCE AND STRATEGIES

### Goals for strategic impacts

- Enhance international cooperation, governance and system building for Climate Risk Insurance (CRI)
- Increase capacities and strengthen voices of vulnerable countries and communities in international Climate and Disaster Risk Financing and Insurance (CDRFI) Governance
- Support countries to implement inclusive CDRFI strategies and protection approaches
- Promote evidence based approaches in CRI

### Contributing Projects

- ACRI+
- ASP
- CLIMAFRI
- IGP/V20

- MAIN-Germany
- MAPs
- MSME
- MuRP
- MYDRIF

### Key partners, networks and stakeholders for 2019-2020

- A2R Initiative
- CSO Networks on Climate and Disaster Risk Finance and Insurance
- InsuResilience Global Partnership
- UNFCCC (Comprehensive Risk Management Group)
- V20 Group of Finance Ministers

## HIGHLIGHTS AND IMPACTS FROM OUR WORK

### Launch of the Sustainable Insurance Facility with the V20

Ahead of the New York Climate Summit on September 23, we supported the V20 Group in kicking off their Sustainable Insurance Facility (SIF) by discussing the proposed Operationalization Framework with key partners. In doing so, the V20 called for greater ambition and action for addressing a key gap within the existing climate and disaster risk financing architecture: the lack of climate-smart insurance for micro, small and medium enterprises (MSMEs) in vulnerable economies.

We developed the Draft SIF Operationalization Framework jointly with the UNEP Principles for Sustainable Insurance (PSI) Initiative and the V20 Finance Advisory. It provides a proposal for achieving these goals through collaborative efforts among key partner institutions. Through combining complementary action under dedicated financing vehicles, the MSME protection gap can be addressed sustainably.

### National Strategies

MCII is advising national governments to develop strategies (including insurance) to better cover risk financing needs especially to protect marginalized and affected populations. MCII has been partnering with Frankfurt School of Finance and management in a technical assistance of the Asian Development Bank (ADB) to develop a Disaster Risk Financing Strategy for Myanmar. After several missions to Myanmar to discuss the objectives, structure and scope of a Disaster Risk Financing Strategy with relevant ministry departments, the project team has drafted the strategy and delivered it to the government for their feedback.

MCII also started to work on social protection policies. Adaptive social protection strategies of governments will be an important framework condition to enable more systematic Climate Risk Insurance programmes. MCII, in an expert consortium, started to work with the Government of Indonesia to develop an adaptive social protection roadmap. This strategy document will structure investments for better protection against climate and natural hazard risks, and help to improve inter-ministerial cooperation.

### Integrating Insurance into Climate Risk Management

Alongside project partner GIZ, we launched the interactive website that hosts the manual for navigating Integrated Climate Risk Management ([http://bit.ly/MCII\\_ICRM](http://bit.ly/MCII_ICRM)).

In 2015, the international community recognized the need to ensure policy coherence that better understands the risks of climate change, and helps countries anticipate and recover from disaster impacts through innovative financial solutions. At the national level, practical approaches to mainstreaming adaptation and disaster risk measures into the national and sectoral planning proves crucial to enabling sustainable development pathways. As such, the Integrating Insurance into Climate Risk Management framework was created as a comprehensive climate risk management approach that strategically combines insurance solutions, with other risk management and adaptation measures. It focuses on unlocking opportunities through insurance solutions when governments aim to prevent disaster impacts, managing residual risks that cannot be prevented, as well as preparing for inevitable disaster impacts, while ensuring efficient response and recovery.



# Analytics

## RISK ANALYTICS

### Goals for strategic impacts

- Establish analytics to support decisions in adaptation and risk management
- Define the “smart” mix of climate response options, including climate risk insurance
- Further operational concepts of improved climate risk management also through academic collaborations

### Contributing Projects

- CLIMAFRI
- CRAIC
- ECA Studies
- FloodAdaptVN
- MAIN Germany
- PICAP

### Key partners, networks and stakeholders for 2019-2020

- ETH Zurich
- Risk Modelling Steering Group /IDF
- UNFCCC Secretariat
- UNU-EHS – EVES Section
- University of South Pacific
- University of West Indies

## HIGHLIGHTS

### Applying and improving the ECA Framework

The Economics of Climate Adaptation (ECA) Studies project implemented by UNU-EHS has been working on individual studies as well as several supporting material. Among that

are the lessons learned in the implementation, and further material guiding stakeholders into the framework, making it more approachable for decision makers and practitioners. Recently, an online platform called ECA Network has been launched to provide a space to make such material available ([www.eca-network.org](http://www.eca-network.org)). For MCII it is an important opportunity to work with the ECA methodology and utilize the lessons learned gathered by UNU-EHS to link the framework and evidence into better informed decision making regarding when applying insurance approaches makes economic sense and when other adaptation options are better suited.

### Research Partnership Formed

Along with UNU-EHS, the University of the South Pacific (USP), the University of the West Indies (UWI) and the UNCDF/ UNDP Pacific Financial Inclusion Programme (PFIP), we have established a research collaboration to facilitate inter-regional South-South learning and research. With the Climate Risk Insurance Research Collaboration (CRIRC), the partners have established a framework for coordination and collaboration on research, development and publication of academic research and policy papers on disaster risk finance, insurance, and social payment.

### Feasibility of Insurance Research

MCII initiated a Ph.D. project which is looking at the potential role of risk transfer mechanisms to address residual flood risk in the Lower Mono River Basin in Togo and Benin. In doing so, existing and informal risk transfer mechanisms will receive increased attention and it will be investigated if and to what extent they could be complemented by formal risk transfer mechanisms to address flood risk, such as insurance. The research project will deliver valuable insights on local perspectives on risk transfer mechanisms in the West African region. The results of the research project will be published in peer-reviewed academic journals and MCII publications.



## Solutions and Practice Partnerships

### SOLUTIONS AND PRACTICE PARTNERSHIPS

#### Strategic impacts

- Facilitate Climate Risk Insurance solutions and make them (financially) sustainable
- Benchmark product characteristics to people's needs by linking evidence to implementation
- Improve regulatory enabling environments, as well as conceptualizing and supporting effective institutional partnerships on climate risk insurance.

#### Contributing Projects

- CRAIC
- PICAP

#### Key partners, networks and stakeholders for 2019-2020

- CCRIF SPC
- ILO Impact Insurance Facility
- UNDP PFIP

### HIGHLIGHTS

#### Learning lessons and transitioning forward in the Caribbean

In December 2019, at COP 25, we presented our lessons learned from the Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) project to the international community at various side events and panel discussions.

The CRAIC project is one of the first programmes of its kind in the region and was designed with a large information and experience gathering component. This allows the project consortium to capture lessons learned during implementation and update interventions accordingly. The lessons we learned through CRAIC are applicable to other small island and coastal states. In the presentation, we further revealed common challenges and provided recommendations for policymakers that could guide the development and implementation of national, regional and local adaptation plans and strategies with the goal to encourage a culture of knowledge sharing on climate and disaster risk insurance topics.

To safeguard the implementation results of Phase I and II achieved so far, as well as to sustainably continue and improve the risk transfer mechanism employed, it was pivotal to transfer the implementation measures into a regional body.

The CRAIC project builds on eight years of experience developing climate risk insurance (CRI) for vulnerable groups. The project focuses on ensuring that achievements thus far are sustained by institutionalizing CRAIC within CCRIF SPC (The Caribbean Catastrophe Risk Insurance Facility). The project extension will refine the model underpinning the Livelihood Protection Policy (LPP), scale-up access to the product within the existing five countries by broadening the number of distribution channels and work closely with governments to align microinsurance with social protection strategies. The extension will also support vulnerable groups and roll-out the product in other CCRIF SPC member countries as part of an overall strategy to close the protection gap.

#### Pacific Scoping Mission

Last year, along with the Pacific Financial Inclusion Programme (PFIP), we assessed the opportunities for setting up a climate adaptation and insurance programme in Vanuatu, Fiji, Tonga, Papua New Guinea, Samoa, and Solomon Islands. During two scoping missions, the team met with a wide array of stakeholders, government representatives, meteorological departments, farmer cooperatives, financial services providers and donors to understand their specific needs and identify opportunities for a comprehensive climate adaptation and disaster risk finance programme for Pacific Island states.

#### From Macro to Micro at the International Conference on Inclusive Insurance

MCII hosted the session “Integrating Macro, Meso, and Micro Insurance for Small Island States in the Caribbean and the Pacific Regions” at the 15th International Conference on Inclusive Insurance in November 2019. In the session, disaster risk financing frameworks were presented focusing on integrating micro insurance into meso and macro level schemes in the Caribbean and Pacific. Experts shared their knowledge of developing new ways of applying insurance to complement disaster risk management and climate change adaptation efforts.



# HOSTING AND COLLABORATION

MCII | Munich Climate Insurance Initiative



UNITED NATIONS  
UNIVERSITY  
**UNU-EHS**  
Institute for Environment  
and Human Security

## MCII and United Nations University

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 taking into account the interplay between environmental and societal factors. Research is always conducted with the underlying goal of connecting solutions to development pathways.

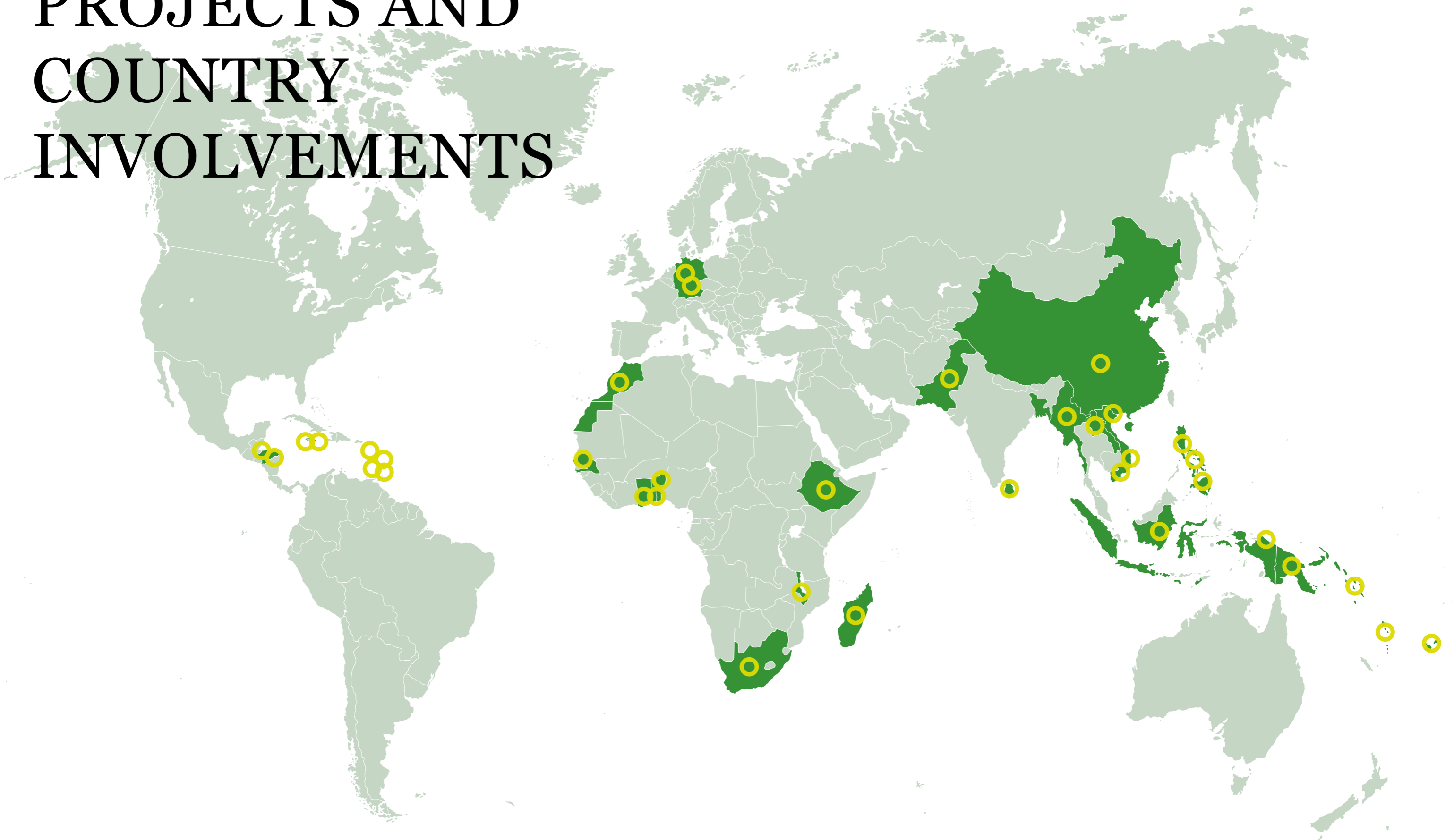
UNU-EHS shares MCII's goals to find possible ways to reduce risks and vulnerabilities of people particularly affected by the adverse effects of climate change. Both organizations support decision-makers with evidence based research and informed policy recommendations. Our partnership is characterized 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 interim 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. Collaboration takes place through implementing joint activities and projects. ASP, CLIMAFRI and Floodadapt-VN are concrete project-level cooperations. Find out more about these projects later in the next chapter.

Furthermore, we participate in the Joint Master Programme Geography of Environmental Risks and Human Security. The Master is an international degree programme with a research-oriented profile and it is jointly offered by the UNU-EHS and the University of Bonn.

# PROJECTS AND COUNTRY INVOLVEMENTS





# ACRI+

## Advancing Climate Risk Insurance Plus

### Project Timeline

March 2016 – June 2019



#### DONOR

German Ministry for the Environment,  
Nature Conservation and Nuclear Safety –  
International Climate Initiative - Zukunft -  
Umwelt – Gesellschaft (BMU - IKI Z.U.G) -  
(through GIZ)



#### MCII PROJECT CONTACT

Maxime Souvignet, Kehinde Balogun



#### PROJECT PARTNERS

Deutsche Gesellschaft für International  
Zusammenarbeit (GIZ) GmbH



#### PROJECT COUNTRIES

Barbados, China, Ghana, Morocco



In the past, when there was an extreme weather event, the main questions were: What can be done to ensure a quick response as well as a fast recovery? Due to the increase in both the frequency and intensity of extreme weather events, the questions of what can be done to minimize damage, as well as what preparation is needed to keep these weather hazards from becoming a disaster, have become increasingly important. Even when these measures are taken, however, some risk remains.

Together with local authorities and private sector partners, we developed country roadmaps that outlined how insurance solutions can be linked to the different phases of the disaster risk management cycle. Based on a comprehensive risk analysis of extreme weather events and their direct and indirect effects on people, the environment, and the economy, new measures were devised. These were designed to have a positive impact on all of the phases in disaster risk management – an integrated, effective approach which uses the full potential of each phase. Through this approach, we created the opportunity to prepare for climate change and its serious consequences. This project worked towards long-term solutions for urban development, industrial zones, renewable energy, and water infrastructure.

The second key focus of ACRI+ was to gather the experiences of different international organizations and channel them into the international dialogue on climate change. Relevant, comparable information is provided in partnership with the Global Index Insurance Facility (GIIF), and the UNISDR PreventionWeb platform. The information is freely accessible to everyone through a public CRI database ([www.preventionweb.net](http://www.preventionweb.net)). This creates transparency and provides the basis for further analyses and response to key guiding questions. ACRI+ actively brought these experiences to the international climate dialogue by participating in conferences, climate negotiations, and talking to experts from the public, private, and political sectors.



# ASP

## Adaptive Social Protection

### Project Timeline

August 2019 – December 2021



**DONOR**

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (as part of SPP)



**MCII PROJECT CONTACT**

Soenke Kreft, Dominic Sett



**PROJECT PARTNERS**

BAPPENAS Indonesian Ministry of National Development Planning (local partner), Madiba Consult GmbH (lead), UNU-EHS



**PROJECT COUNTRIES**

Indonesia

The ASP intervention is a component of the “Social Protection Programme” (SPP) in Indonesia led by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ). The project focuses on the extension of social protection, particularly for poor and vulnerable population groups, against risks from extreme weather events and other natural hazards as well as adverse impacts of climate change. The goal of ASP contributes to the technical foundations of the SPP which focuses on three main outputs:

1. Risk analysis, prevention and reduction plans, along with mechanisms for risk transfers
2. Options for expanding and linking Disaster Risk Management (DRM) with existing social programmes
3. Cost calculations of various financing options and instruments, which include climate risk insurance

The overall project is being institutionally led by Madiba Consult and implemented by a dedicated project team of individual consultants, including UNU-EHS and MCII expert researchers.

We are contributing to all work packages of the project by providing input and guidance on topics including risk assessment, risk management, and risk transfer, including innovative ways of applying insurance-like approaches towards the fulfillment of the project objectives. This is supported by an advisory function made available by expert professionals within the MCII membership.

Alongside UNU-EHS, we are particularly responsible for the disaster risk management and climate change adaptation sector analyses, including reviews of existing stakeholders, mechanisms and data, and the subsequent identification of protection gaps. Additionally, we will support the identification of potential options and solutions for the implementation of an adaptive social protection approach in Indonesia. Together with the Indonesian government, and in strong collaboration with the planning ministry BAPPENAS, an ASP Roadmap will ultimately be developed, outlining a strategy on how to operationalize ASP for the country.



# CLIMAFRI

## Implementing Climate-sensitive Adaptation strategies to reduce Flood Risk in the transboundary Lower Mono River catchment in Togo and Benin

**Project Timeline**  
January 2019 – March 2022



**DONOR**  
German Ministry for Education and Research (BMBF)



**MCII PROJECT CONTACT**  
Michael Zissener, Simon Wagner (PhD Candidate)



**PROJECT PARTNERS**  
Björnsen Consulting Engineers GmbH, Ministry of Environment in Togo, Ministry of Living Environment and Sustainable development in Benin, University of Abomey-Calavi, University of Bayreuth, University of Bonn, University of Lome, UNU-EHS, West African Science Service Center on Climate Change and Adapted Land Use, ZEFS



**PROJECT COUNTRIES**  
Togo and Benin

The German-African inter- and transdisciplinary CLIMAFRI project is funded by the German Federal Ministry for Education and Research (BMBF) and will develop adaptation strategies in the transboundary Lower Mono river catchment of Togo and Benin. The overall goal is to reduce the current and future flood risk while considering climate change by integrating science-based data with information and knowledge from local stakeholders and communities.

The project collaborates with the environmental ministries in Togo and Benin, the responsible local authorities and the Competence Center of the West African Science Service Center on Climate Change and Adapted Land Use (WASCAL) to develop a transboundary river basin information system. The sustainable use of the project results in CLIMAFRI is ensured by a proactive engagement of inter-sectorial actors and the education of future decision makers and scientists within the framework of the WASCAL Graduate Programme. CLIMAFRI was initiated by Togo and Benin with the concrete demand to reduce the negative impacts of flood, and non-regulation of water resources. Data and tools will be made available locally and regionally in West Africa.

The overall project is being implemented by UNU-EHS and conducted by a dedicated team of experts. Alongside MCII, the project consists of German and African scientists, a water management company (BCE), a regional education center in Africa (WASCAL) and the national ministries as responsible political authorities as the basis for multi-sectoral collaboration.

Through the deployment of a Ph.D. researcher, we are contributing to work packages by providing research contributions on the feasibility of implementing insurance-related approaches to protect communities against floods in the Lower Mono River Basin. In doing so, the assessment of already existing flood risk-sharing strategies among the population at risk will be at the center of our research. In this way, we support the project's aim to co-design possible adaptation solutions to floods in close cooperation with the affected population, research institutions, and ministries in the partner countries.

**DONOR**

German Ministry for the Environment, Nature Conservation and Nuclear Safety – International Climate Initiative – Zukunft – Umwelt – Gesellschaft (BMU - IKI Z.U.G)

**MCII PROJECT CONTACT**

Dirk Kohler, Soenke Kreft

**PROJECT PARTNERS**

CCRIF SPC – The Caribbean Catastrophe Risk Insurance Facility, DHI, Hannover Re, International Labour Organization (ILO), Munich Re,

**PROJECT COUNTRIES**

Belize, Grenada, Jamaica, Saint Lucia, Trinidad & Tobago

The Caribbean region is highly exposed to tropical storms, flooding, and other disasters that are triggered by natural hazards. These hazards represent a significant risk to the population and economies of the Caribbean countries. The Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) project assists Caribbean countries in their efforts to increase social resilience and adapt to climate change by incorporating climate risk insurance into a broader framework of disaster risk reduction strategies. The CRAIC project launched its second phase in November 2016 and is continuing in Jamaica, Saint Lucia, Grenada, Belize, and Trinidad & Tobago. The project is funded by the International Climate Initiative (IKI) of the German Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU)

CRAIC seeks to address climate change, adaptation and vulnerability by promoting weather-index based insurance as a risk management instrument in the Caribbean. The project has developed a parametric weather- index based risk insurance product aimed at low-income individuals exposed to climate stressors: The Livelihood Protection Policy (LPP).

This product helps protect the livelihoods of vulnerable low-income individuals by providing swift cash payouts following extreme weather events (i.e. high wind speed and heavy rainfall) without the usual bureaucratic processes. This crucial support will reduce poverty and vulnerability by enabling these groups to recover quickly following a disaster.

The lessons learned through CRAIC are applicable to other small island and coastal states. The lessons learned cover the topics of expectation setting, product development, market development, and engagement for sustainability, and are available at: <http://bit.ly/2E2BE30>.

# CRAIC

## Climate Risk Adaptation and Insurance in the Caribbean

### Project Timeline

November 2016 – April 2022



# ECA STUDIES

## Economics of Climate Adaptation Studies<sup>1</sup>

### Project Timeline

October 2019 – January 2021



#### DONOR

InsuResilience Solutions Fund funded by the German Development Bank (KfW) and commissioned by the German Ministry for Economic Cooperation and Development (BMZ)

#### PROJECT CONTRACTOR

Frankfurt School of Finance and Management

#### COOPERATION PARTNER

UNU-EHS



#### UNU-EHS PROJECT CONTACT

Maxime Souvignet



#### PROJECT PARTNERS OF UNU-EHS

InsuResilience Solution Fund, ETH Zurich, Frankfurt School of Finance and Management, Kreditanstalt für Wiederaufbau (KfW) and local governments



#### PROJECT COUNTRIES

Ethiopia, Honduras, Viet Nam

In the context of international financial and technical cooperation, specific climate change adaptation (CCA) measures are ensuring investments that are more sustainable, while promoting assets and economic activities that are more resilient to the impacts and consequences of current and projected future climate-related conditions. The CLIMADA/Economics of Climate Change Adaptation methodology (ECA) provides an entry-point for rationalizing risk management and determining the need for risk transfer strategies.

The UNU-EHS project's main objectives are to support decision makers in developing their adaptation strategy and to develop a Climate Change Adaptation measures investment portfolio, including risk transfer. A plethora of approaches have already been designed to respond to the complexity and the uncertainty of climate change related projects. Among these, none have been fully integrating processes from risk assessment to feasibility of CCA measures.

The ECA Studies, based on the Economics of Climate Adaptation methodology, bridge this gap and offer a unique approach towards the flexible identification of cost-effective CCA measures for a variety of projects and sectors. It addresses in particular the following questions:

1. What is the potential climate-related damage over the coming decades?
2. How much of that damage can be averted, using which type of CCA measures?
3. What investments will be required to fund those measures, and will the benefits of these investments outweigh the costs?

The ECA Studies project offers a systematic and transparent approach that fosters trust and initiates in-depth inter-sectoral stakeholder discussions. The methodology can be flexibly applied from the national to local level, and adapted to different sectors and different hazards. It also gives guidance on what aspects to focus on during a feasibility study. It provides key information for programme-based approaches, insurance solutions and has the potential to support National Adaptation Plans' (NAPs) development.

Currently three ECA studies are being implemented on behalf of the InsuResilience Solutions Fund (ISF) in Honduras, Ethiopia and Viet Nam. The three different studies all focus on different hazards, assets, and environmental and institutional settings highlighting the methodology's flexibility. The project is being implemented by UNU-EHS and conducted by a dedicated team of experts.

MCII has identified the development and implementation of the ECA framework as a strategic priority to further its mission statement. This could include providing guidance on topics including risk management, risk transfer, and the identification of insurance approaches within a public risk management strategy. There is a process between MCII and UNU-EHS to promote the ECA framework. MCII also provides project specific advisory to the ECA Studies.

**DONOR**

German Ministry for Education and Research (BMBF)

**MCII PROJECT CONTACT**

Maxime Souvignet

**PROJECT PARTNERS**

Department of Natural Resources and Environment Viet Nam, DLR – German Aerospace Center, GEOMER, Hue University of Sciences, Hue University, IZES – Institute for Future Energy Systems, Ludwig-Maximilians-Universität München, Ministry of Natural Resources and Environment Viet Nam, Peoples Committee Hue Province, UNU-EHS, Universität Tübingen

**PROJECT COUNTRIES**

Viet Nam

Central Viet Nam is characterized by rapid urbanization, particularly in small and medium-sized coastal cities. At the same time, the region is facing an increase in heavy precipitation events, which, combined with land use changes, result in more frequent and intense flooding. In this context, the overall aim of the FloodAdaptVN project is to analyze and ultimately reduce present-day and future flood risk in highly flood prone urban regions of Central Viet Nam using the city of Hué and its hinterland as a case study. More specifically, the project aims at:

1. Better understanding drivers, hotspots and dynamics of present-day and future flood risk;
2. Investigating entry points for and barriers to the implementation of (ecosystem-based) solutions for flood risk reduction, risk transfer, and adaptation solutions;
3. Developing a decision support tool for prioritizing among different risk reduction and adaptation measures based on their impact reduction, social acceptance, long-term sustainability and cost-efficiency using the Economics of Climate Adaptation (ECA) methodology.

FloodAdaptVN is funded by the German Federal Ministry for Education and Research (BMBF) as part of the funding initiative “Sustainable Development of Urban Regions”.

As mentioned in the ECA Studies summary, MCII finds strategic value in investigating how the ECA framework pertains to its mission and mutually promotes the approach with UNU-EHS. We are leading one work package dedicated to the creation and implementation of a decision support system on adaptation measures including risk transfer and ecosystem based adaptation. We also contribute to other work packages by providing input and guidance on topics including risk management, risk transfer, and innovative ways of applying risk transfer approaches towards the fulfillment of the project objectives.

# FLOODADAPTVN

Integrating Ecosystem-Based Approaches into Flood Risk Management for Adaptive and Sustainable Urban Development in Central Viet Nam

## Project Timeline

2018 – 2020 & 2021 – 2025

**DONOR**

Deutsche Gesellschaft für International Zusammenarbeit (GIZ) GmbH / German Ministry for Economic Cooperation and Development (BMZ) (InsuResilience Secretariat)

**MCII PROJECT CONTACT**

Viktoria Seifert, Soenke Kreft

**PROJECT PARTNERS**

Deutsche Gesellschaft für International Zusammenarbeit (GIZ) GmbH, InsuResilience Global Partnership, The Vulnerable Twenty (V20) Group of Ministers of Finance of the Climate Vulnerable Forum

**PROJECT STAKEHOLDERS** InsuResilience Secretariat, V20 Group

**PROJECT COUNTRIES**

Bangladesh, Philippines and Republic of the Marshall Islands

There is increasing recognition among the international community of the need for urgent and concrete action in mitigating climate change, and addressing its impacts by effectively supporting particularly vulnerable countries' own efforts to manage climate change induced disaster risk. Well-designed climate risk insurance – when applied 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. In 2015, we saw a major shift in political narratives about how climate change related risks are addressed moving away from an attitude of coping with impacts (ex-post) to that of effectively managing risks before they occur (ex-ante).

By initiating a Climate Risk Insurance Initiative (InsuResilience) the G7 countries acknowledged the central role insurance plays in a comprehensive climate risk management approach. Building on the 2015 InsuResilience Initiative, G20 and V20 countries then moved to launch the InsuResilience Global Partnership in 2017 and to promote the development of a broad menu of climate and disaster risk finance instruments, including insurance. In bringing together representatives of the G20 and the V20 (Vulnerable Twenty Group of Ministers of Finance), international organizations, the private sector, civil society and academia, the InsuResilience Global Partnership aims to aspire to delivering results in six areas: By 2025, (1) increase the number of people protected by risk financing and insurance arrangements to 500 million, (2) ensure vulnerable countries have comprehensive disaster risk financing strategies in place and (3) adopt CDRFI integrated with comprehensive risk management systems, while (4) increasing the cost-effectiveness of risk finance and insurance arrangements, (5) aligning increased disaster resilience with human development objectives and (6) building robust evidence for effective and cost-efficient climate and disaster risk insurance (CDRFI) solutions.

Under the overall guidance of the German Federal Ministry for Development and Economic Cooperation (BMZ) and in cooperation with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), we are contributing to InsuResilience by providing strategic and technical advice to the members of the Partnership, specifically the V20 Group as well as the InsuResilience Secretariat, facilitating dialogue among stakeholders, including private sector, civil society and partner countries, and undertaking research on the nexus between resilience, insurance and risk reduction.

Amongst others, this includes us co-chairing the Partnership's Principles and Impact Working Group and providing technical advisory and support to the V20 regarding their engagement with InsuResilience and the development of the V20-led Sustainable Insurance Facility (SIF). The aim of our work is the design of needs-based advice to support vulnerable countries in their approach to climate and disaster risk financing, including insurance, and their leadership on related policy issues in the international arena.

# IGP/V20

## Contribution to the InsuResilience Global Partnership and V20

### Project Timeline

October 2019 – September 2022



**DONOR**

Umweltbundesamt (UFOPLAN)



**MCII PROJECT CONTACT**

Soenke Kreft



**PROJECT PARTNERS**

Frankfurt School of Finance and Management, akzente, Büro für Umwelt Qualität Sicherheit



**PROJECT COUNTRIES**

Germany

The first effects of the climate crisis are becoming increasingly evident and are being felt by humankind. Some effects, such as the increase and greater intensity of droughts and extreme weather events, may lead to high economic and business losses. These economic consequences of the climate crisis represent a challenge for the state and the private sector. The Paris Climate Agreement considers the handling of the physical effects of climate change in a separate article and sees the establishment of climate risk insurance as an option for companies and states. According to one of the project’s theses, economically efficient solutions could be developed in this way.

However, insurance alone cannot be used exclusively for risk transfer. Rather, companies must also make provisions for risks in their activities. According to current knowledge, the consequences of the climate crisis still play a subordinate role in the strategic planning and operations of many companies. In addition, the question arises, how climate-related risk management should be sensibly designed, and where it should be integrated (e.g. risk management, environmental management, sustainability management).

If companies in the real economy suffer financial losses or even become illiquid due to the climate crisis, this also affects their investors. Thus, there is a danger that the consequences of the climate crisis will have an impact on the financial markets. This risk can be reduced by banks and investors systematically taking climate risks into account. To do so, they need climate-relevant information about their investment objects.

Against this background, the project will conduct research on the following topics:

**Work Package 1:** Climate risk insurance and its transferability to Germany

**Work Package 2:** Corporate reporting and management systems on physical climate risks

**Work Package 3:** Systematic consideration of physical climate risks in the financial sector

For each of these topics, the state of the art in research is reviewed, existing processes and procedures are presented in practice, concepts and recommendations are developed and expert workshops are held. Finally, instruments for the communication of the results to companies, banks and institutional investors are developed.

MCII is conducting Work Package 1 and actively cooperating with the other consortium members on the other work packages.

# MAIN GERMANY

Economy of Climate Change – new Management Instruments to mitigate the risks of climate change in state and economy (Germany)

## Project Timeline

August 2019 – August 2022

**DONOR**

German Ministry for Economic Cooperation and Development (BMZ) – through CARE Germany

**MCII PROJECT CONTACT**

Michael Zissener, Soenke Kreft

**PROJECT PARTNERS**

CARE Germany, Germanwatch, Caribbean Policy Development Centre (CPDC), Chrysalis, Civil Society Network on Climate Change (CISONECC), Community Development and Environment Association (CDEA), ENDA Energy Environment Development, Institute for Climate and Sustainable Cities (ICSC), SAF/FJKM,

**PROJECT COUNTRIES**

Antigua and Barbuda, Barbados, Grenada, Laos, Malawi, Madagascar, Philippines, Senegal, Sri Lanka.

Climate risk and risk prevention financing mechanisms are a complex area. These include, for example, climate insurance in the agricultural sector, country risk pools, social security systems, new forecast-based finance approaches, etc. Often, there is only a small degree of transparency and understanding at the national level in vulnerable developing countries. Many times, the relevant stakeholders are not sufficiently aware of the necessary contingency plans, which leads to a delay in disbursements and the implementation of planned measures. This development is partly due to the fact that the preparation of such plans is often only carried out at a government level, and civil society or other actors are not sufficiently involved.

The project strives to establish multi-actor partnerships (MAPs) on climate and disaster risk finance and insurance (CDRFI) in its selected target countries and regions to spur the collaboration between civil society, government and private sector stakeholders. Further, we aim to enhance understanding of CDRFI instruments, build the necessary capacity of CSOs and affected population groups to enable their engagement with, and their influence on, the design and implementation of CDRFI instruments in their respective countries. Lastly, we endeavor to engage the international policy making level through active participation in and contribution to processes including the InsuResilience Global Partnership (IGP) and the United Nations Framework Convention on Climate Change (UNFCCC).

The consortium is led by CARE Germany and is jointly implemented by CARE, MCII, and Germanwatch. Each work with a particular set of local civil society organizations to implement the aforementioned objectives. MCII collaborates with the Caribbean Policy Development Centre (CPDC) in Barbados, and the Institute for Climate and Sustainable Cities (ICSC) in the Philippines.

# MAPS

Multi-Actor Partnerships on Climate and Disaster Risk Financing and Preparedness in the Context of the InsuResilience Global Partnership

## Project Timeline

November 2019 – April 2022

**DONOR**

Deutsche Gesellschaft für International Zusammenarbeit (GIZ) GmbH

**MCII PROJECT CONTACT**

Viktoria Seifert, Soenke Kreft

**PROJECT PARTNERS**

-

**PROJECT COUNTRIES**

Indonesia, Philippines, Viet Nam

In the context of phase three of the project “Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI Asia III)” we supported the GIZ Philippines office in exploring insurance potentials for micro, small and medium enterprises in Viet Nam, Indonesia and the Philippines.

Our work built on research and in-country workshops with the aim of providing a preliminary assessment of insurance options for key commodities in the three project countries. In line with strategic country priorities, we identified three key commodities for Indonesia (fish, shrimp and seaweed) and Viet Nam (seafood, fruit and rubber), and two key sectors in the Philippines (retail and tourism), which are exposed to major climate risks and may stand to benefit from insurance. Furthermore, analysis and advice pertaining to existing framework conditions, climate risk insurance solutions in the MSME sector and potential options to address and overcome existing barriers, were provided.

# MSME

Promoting Climate Risk Insurance for the Micro, Small and Medium Enterprise Sectors of Indonesia, Philippines and Viet Nam

## Project Timeline

September 2019 – December 2019

**DONOR**

International Development Research Centre (IDRC)

**MCII PROJECT CONTACT**

Kehinde Balogun, Soenke Kreft

**PROJECT PARTNERS**

CICERO, Germanwatch, South South North, University of Kwazulu Natal

**PROJECT COUNTRIES**

South Africa

Given the inter-related link between climate adaptation and disaster risk management (DRM), DRM approaches may be appropriate in alleviating certain climate risks. Several emerging economies use risk retaining strategies (catastrophe reserve funds and budget transfers) to manage the financial impacts of climate hazards. This is the case in South Africa where the public sector is primarily responsible for DRM. Given that climate change is expected to increase the frequency and intensity of extreme weather events, it is critical that risk transfer strategies be investigated to effectively manage any financial shortfalls.

Risk pooling is a risk transfer instrument similar to traditional insurance; however, schemes consist of several individual risk holders who wish to aggregate their risks. Risk pooling as a form of climate risk insurance has so far, been limited to the country level. The aim of this research is to investigate the feasibility of risk pooling at the municipal level (the first of its kind). A municipal risk pooling (MRP) facility would avoid issues of compromised sovereignty because decision making regarding the use of payouts and hazards covered are made solely by the implementing country. The research focuses on factors of flood hazard (frequency, severity and geographic spread), the need for an MRP to cover vulnerable communities thereby acting as a safety net, and the financial structure of an MRP that would yield benefits to municipalities. To ensure that the findings of this MRP are applicable in other contexts, the research will develop a pilot MRP and a guidance framework outlining requirements and methodologies for MRP implementation.

# MURP

Investigating the Feasibility of Municipal Risk Pooling as an Adaptation Finance Measure

## Project Timeline

August 2018 – September 2020



# MYDRIF

Myanmar Disaster Risk Financing

## Project Timeline

October 2018 – May 2020



### DONOR

Asian Development Bank (ADB)



### MCII PROJECT CONTACT

Peter Hoeppe, Michael Zissener



### PROJECT PARTNERS

Frankfurt School of Finance and Management, Asian Development Bank (ADB)



### PROJECT COUNTRIES

Myanmar

In order to support the government of Myanmar in dealing with various types of Disaster Risk Financing (DRF) aspects in an efficient and effective way, this project endeavors to develop a DRF strategy for Myanmar together with the responsible Ministry Departments. The main objectives of the project are to develop a risk-layered approach by:

1. Providing a suitable blend of financing instruments and structures with a particular focus on risk transfer through insurance schemes;
2. Providing a review of the enabling environment and provision of recommendations to address challenges for DRM on the regulatory and policy level;
3. Develop capacity building and awareness raising activities on DRF for public and private actors in the financial and insurance sector.

Supporting the government of Myanmar in developing their DRF strategy will increase their capacities to deal with the different natural hazards and the impact of climate change. It will support them by improving financial safety net approaches to vulnerable people to enable them to have access to financial services covering against weather extremes and earthquakes. This also presents an opportunity to meaningfully contribute to the call (by both the Secretary General as well as the United Nations Framework Convention on Climate Change Secretariat) to finding ways of how to crowd-in more private sector actors into actively supporting climate change adaptation-related efforts in developing countries.



**PICAP**  
Pacific Insurance and Climate Adaptation Programme  
**Project Timeline**  
2019 – June 2020 (Scoping Study)



**DONOR**  
United Nations Capital Development Fund via RESPAC (Disaster Resilience for Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga, Vanuatu)



**MCII PROJECT CONTACT**  
Jennifer Phillips, Dirk Kohler



**PROJECT PARTNERS**  
Pacific Financial Inclusion Programme (PFIP), United Nations Capital



**PROJECT COUNTRIES**  
Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga, Vanuatu

Pacific Island Countries are particularly vulnerable to extreme weather events. Serious events force the affected low-income individuals to use a variety of coping strategies that include: reducing food consumption, taking children out of school because parents can no longer afford to pay school fees, borrowing money, taking money out of their retirement fund and selling assets. These strategies diminish people’s ability to maintain or improve their wellbeing and economic prospects, as well as their ability to cope with future climate change impacts. As a result, there is a growing need to explore more effective and sustainable options for managing and transferring risks associated with weather related disasters, which are being exacerbated by climate change.

In 2019 we conducted two scoping missions along with the Pacific Financial Inclusion Programme (PFIP) to explore the possible implementation of climate risk adaptation and insurance programmes in the Pacific region. The scoping study investigated the vulnerability profiles of representative livelihoods in the Pacific as well as evaluated the feasibility of introducing disaster risk financing tools such as index-based insurance in the region. Based on the results of this scoping study, the Pacific Insurance and Climate Adaptation Programme (PICAP) was created in order to respond to the growing needs for financing solutions for natural catastrophes in the region.

PICAP aims to federate all Southern Pacific states into a regional sovereign risk pool in order to offer quick financial assistance after natural catastrophes through insurance at a more affordable rate. In addition, PICAP has the objective to increase Pacific Island’s disaster risk management activities and overall resilience through improved disaster risk financing and the development of innovative market-based insurance products for the middle and lower income groups. Each country will have the programme tailored to its specific needs with the work streams and activities defined together with the local governments.

The overall project is led by the UNDP/UNCDF office in Fiji together with UNU-EHS. Within UNU-EHS it is implemented by a dedicated project team of MCII expert researchers.

UNU-EHS contributes to the project by leading work packages focused on researching risk management strategies against natural hazards for vulnerable groups in the Pacific as well as developing innovative disaster risk financing instruments and investigating new bundled and hybrid insurance approaches. We additionally provide input and guidance on topics including disaster risk financing strategies, market development, and consumer empowerment.

# FINANCIAL OVERVIEW

*2019 was a good year for MCII. We attracted several new projects and increased our funding and operations significantly. As a non-profit organization, this is a very positive development, because it enables us to implement MCII's mission more effectively and helps build on the valuable experiences we've had so far on how to advance the topic of risk transfer as a means for adaptation in countries vulnerable to climate change.*

*As in the previous two years, this increase helps us to secure stability of future operations. As the new challenges presented by COVID-19 demonstrate, capital reserves accumulated throughout the years are vital for the resilience of a predominantly project financed organization like MCII. With our accumulated reserve, we would be able to cover our basic operational expenses for about 3-4 months in the event of a major funding gap. Building up this resilience has been achieved through productive cooperation with our project donors and the hard work of our team to further MCII's mission, and to enable a sustainable development of the organization. On this occasion, I would like to thank all our donors for their continuous support and trust in us and our work.*

*This year we are publishing our financial statement for the first time. The goal to compile this report was to extend the transparency we share with our project partners and donors to the general public and our other stakeholders. The main guiding principles were adopted from transparency advisory materials published by German institutions, and targeted towards non-profit organizations active in Germany.*

**Armin Haas**  
MCII Treasurer



Photo: Lotte Ostermann

The Munich Climate Insurance Initiative (MCII) e.V. was established in April 2005. Since 2008, it has been 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 its legal non-profit obligations.

In the overviews presented below, we highlight the reporting period of January 2019 through December 2019. The association’s 2019 balance shows its financial position at the end of the year. The active side of the balance reflects liquid assets, accounts receivable, and other assets. MCII’s capital increased in 2019 by 55,746 Euro from 198,320 to 254,066 Euro, which falls in the same range as the results in 2018.

MCII e.V. BALANCE SHEET (EUR) reporting period 01.01.2019 to 31.12.2019

Assets	2019	2018	Liabilities	2019	2018
Cash and cash equivalents	82,544.17	678,656.86	Equity	254,065.64	198,320.08
Accounts receivable	307,729.49	135,346.25	Accounts payables	124,759.02	353,314.03
Intangible assets	1.00	1.00	Other liabilities	11,450.00	269,500.00
Other assets		7,130.00			
	390,274.66	821,134.11		390,274.66	821,134.11

MCII e.V. PROFIT AND LOSS STATEMENT (EUR)) reporting period 01.01.2019 to 31.12.2019

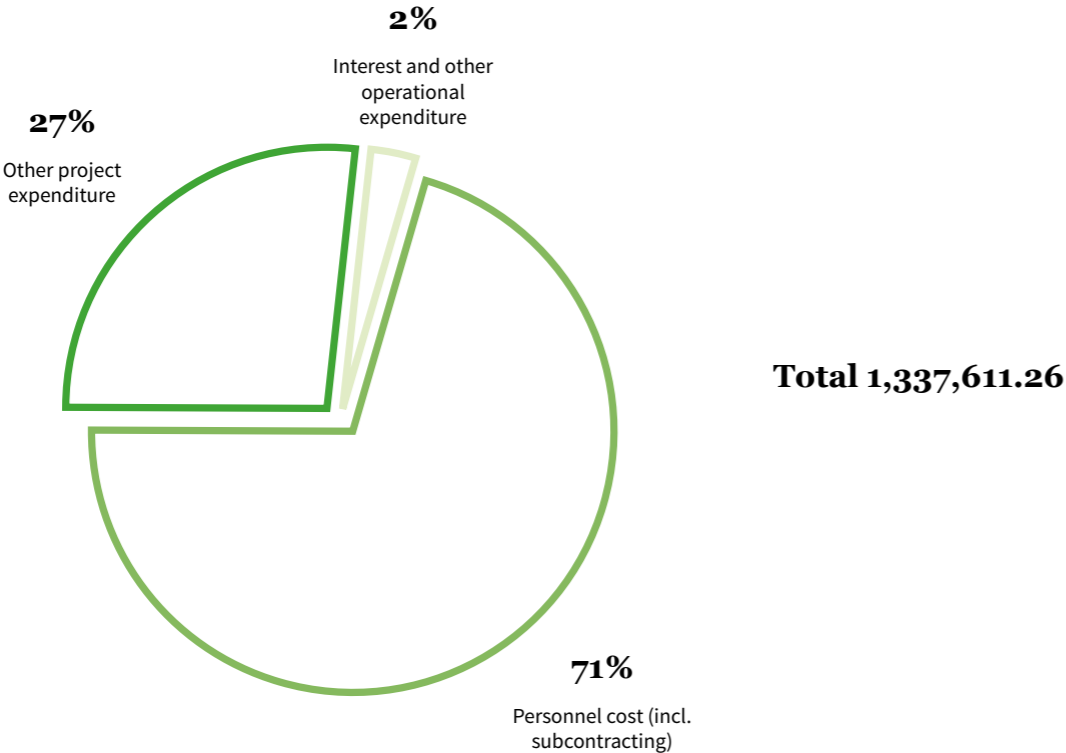
	Total	I. Not-for-Profit Operations (ideeller Bereich)	II. Tax Neutral Operations (ertrag-steuer-neutrale Posten)	III. Interest Gain (Vermögens-verwaltung)	IV. For-Profit Operations* (sonstige Zweckbetriebe)
Non-taxable grants	1,104,175.47	1,104,175.47	—	—	—
Donations	25,000.00	—	25,000.00	—	—
Interest income	138.84	—	—	138.84	—
Consulting income	264,042.51	—	—	—	264,042.51
Personnel cost (incl. subcontracting)	- 946,620.69	- 757,842.59	—	—	- 188,778.10
Other project expenditure	- 390,990.57	- 363,082.27	- 2,444.00	- 202.45	- 25,261.85
Result	55,745.56	- 16,749.39	22,556.00	- 63.61	50,002.56

\* the term "for profit" for this category is a translation based on German charter law and refers to categories in German tax regulations. It does not refer to actual profit-earning activities as would be done in commercial businesses, but is used as the category where MCII places its consulting project activities, based on German rules and regulations. Funds accumulated in this category are meant to build financial reserves for MCII to keep the organization operational in case of fluctuating earnings and of emergencies.

The project-driven, not-for-profit income inflow was stable in 2019 and we were able to considerably increase the consultancy driven income by taking on new projects. MCII’s total revenue reached almost 1.4 million Euro in 2019. The not-for-profit income for 2019 made up around 80 per cent of the total revenue.

In 2019, more than half of the total revenue was forwarded to UNU-EHS for project personnel, travel and other project expenses. This is the direct result of the hosting arrangement with the UNU-EHS as described in page 23.

The following pie chart gives an overview on the expenses.



Over the years, MCII has maintained good working relations with its donors and partners. The funds provided to us are spent on dedicated projects in an economic way and according to the respective contractual obligations. All projects are in line with the MCII mission statement. In addition to the projects, a small portion of funds were contributed by direct donations to support the core operations of the project office (i.e. Allianz Climate Solutions GmbH). Members are encouraged to facilitate financial or non-financial contributions. Currently, financial contributions from organizations to which members are affiliated amount to less than 2 per cent of the overall funding for MCII.

Project Donors	Amount 2019 (EUR)
1. Asian Development Bank (ADB) via Frankfurt School of Finance & Management	156,542.51
2. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	79,500.00
3. Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)	649,009.10
4. Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU) via GIZ	53,971.39
5. Federal Ministry of Economic Cooperation and Development (BMZ) via GIZ	357,329.00
6. German Federal Environment Agency (UBA) via Frankfurt School of Finance & Management	28,000.00
7. International Development Research Centre (IDRC) via The University of KwaZulu-Natal	43,865.98
	<b>1,368,217.98</b>

Note: Ordered alphabetically.

Contributions for the ECA, PICAP, CLIMAFRI, FloodAdaptVN and ASP projects (see projects overview), and a core contribution from Munich Re for the MCII project office at UNU-EHS, were directly received and managed by UNU-EHS and are not reflected in the MCII financial statement.

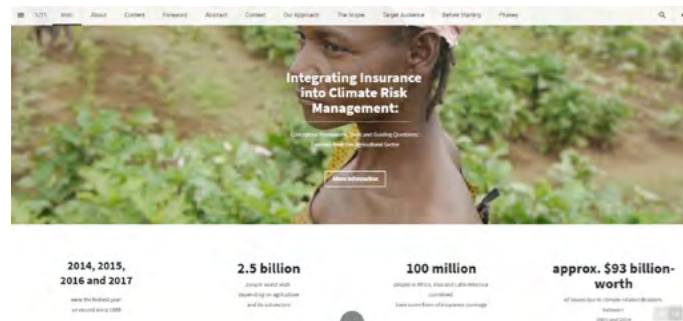
As mentioned above, the year 2019 closed with financial reserves of 254,066 Euro. Should MCII ever be dissolved, any remaining association’s funds will be allocated towards non-profit purposes as stipulated in MCII’s charter.

# PARTNERS

Alliance for Financial Inclusion (AFI)	Department of Natural Resources and Environment Viet Nam
Allianz	
Asian Development Bank (ADB)	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Australian Aid	DHI
BAPPENAS Indonesian Ministry of National Development Planning	DLR – German Aerospace Center
Björnsen Consulting Engineers GmbH	ENDA Environment Development Action in the Third World.
BKK (German Federal Office for Civil Protection and Disaster Assistance)	ETH Zurich
CARE Germany	European Union
CARE International	Frankfurt School of Finance and Management
Caribbean Policy Development Centre (CPDC)	GEOMER
CCRIF SPC – The Caribbean Catastrophe Risk Insurance Facility	German Ministry for Economic Cooperation and Development (BMZ)
Center for Disaster Protection	German Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)
Chrysalis	German Ministry of Education and Research (BMBF)
Cicero – Center for International Climate Research	Germanwatch
Civil Society Network on Climate Change (CISONECC)	Global Index Insurance Facility (GIIF)
Climate Analytics	Green Climate Fund
Climate Investment Funds	Hannover Re
Climate Risk Insurance Research Collaboration (CRIRC)	Hue University
Community Development and Environment Association (CDEA)	Hue University of Sciences
Department for Development created by the Church of Jesus Christ in Madagascar (SAF/FJKM)	ILO Impact Insurance Facility
	Institute for Catastrophic Loss Reduction, Western University
	Institute for Climate and Sustainable Cities (ICSC)

InsuResilience Global Partnership	Umwelt Bundesamt
InsuResilience Secretariat	United Nations Capital Development Fund
InsuResilience Solutions Fund	United Nations Climate Resilience Initiative A2R
International Development Research Center (IDRC)	United Nations Development Programme
International Labour Organization	United Nations Environment Programme Finance Initiative – Principles for Sustainable Insurance
IZES – Institute for Future Energy Systems	United Nations University – Institute for Environment and Human Security
KfW – The German Development Bank	United Nations University Institute for Integrated Management of Material Fluxes and of Resources
LSE Grantham Institute	Universitas Gadjah Mada (UGM), Yogyakarta (Indonesia)
Ludwig-Maximilians-Universität München	Universität Tübingen
Madiba Consult gmbh	University of Abomey-Calavi
Ministry of Environment Togo	University of Bayreuth
Ministry of Living Environment and Sustainable development Benin	University of Bonn
Ministry of Natural Resources and Environment Viet Nam	University of Kwazulu Natal
Munich Re	University of Lome
Munich Re Foundation	University of the South Pacific
New Zealand Ministry of Foreign Affairs and Trade Aid Programme	University of the West Indies
Pacific Financial Inclusion Programme	Vulnerable 20 Group
Peoples Committee Hue Province	West African Science Service Center on Climate Change and Adapted Land Use
Regions Adapt	WorldBank
Republic of the Marshall Islands	ZEF –Center for Development Research University of Bonn
South South North	
TH Köln – ITT (Institute for Technology and Resources Management in the Tropics and Subtropics)	

# PUBLICATIONS IN 2019/2020



Integrating Insurance into Climate Risk Management (2020)



Discussion Paper: Climate Risk Insurance and Informal-Risk Sharing (2020)



Lessons Learned CRAIC (2019)



Creating Synergies between Macro and Micro Level Insurance (2019)



Country Roadmaps for Integrated Climate Risk Management (2019)



Integrating Insurance into Climate Risk Management: Conceptual Framework, Tools and Guiding Questions - Examples from the Agricultural Sector (2019)



Climate Risk Insurance Solutions: Understanding the Drivers of Cost-Effectiveness. A Multi-Criteria Assessment Framework and Key-Performance Indicators (2019)

# ORGANIZATIONAL STRUCTURE

## *Executive Board*



Peter Hoeppe (Chair)



Christoph Bals (Vice-Chair)



Armin Haas (Treasurer)



Paul Kovacs



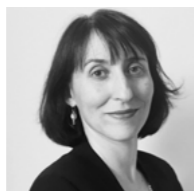
Joanne Linnerooth-Bayer



Thomas Loster



Aaron Oxley



Simone Ruiz-Vergote



Zita Sebesvari (Ad-interim/Observer)

## *Project Office Team*



Kehinde Balogun



Eike Behre



Samet Sevkett Bulut



Jennifer Cissé



David Daou



Rachael Hansen



Dirk Kohler



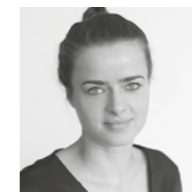
Soenke Kreft



Jennifer Phillips



Alvaro Rojas-Ferreira



Viktoria Seifert



Dominic Sett



Maxime Souvignet



Simon Wagner



Florian Waldschmidt



Michael Zissener



Sabrina Zwick



Altanzul Zorig

Members of MCII

Christoph Bals (GERMANWATCH)	Leif Heimfarth (HANNOVER RE)
Armin Haas (IASS - INSTITUTE FOR ADVANCED SUSTAINABILITY STUDIES POTSDAM)	Celine Herweijer (PRICEWATERHOUSE COOPERS)
Peter Hoeppe	Thomas Hirsch (CLIMATE AND DEVELOPMENT ADVICE)
Paul Kovacs (INSTITUTE FOR CATASTROPHIC LOSS REDUCTION, ICLR)	Karsten Loeffler (FRANKFURT SCHOOL)
Joanne Linnerooth-Bayer (INTERNATIONAL INSTITUTE FOR APPLIED SYSTEMS ANALYSIS, IIASA)	Dirk Messner (UMWELT BUNDESAMT)
Thomas Loster (MUNICH RE FOUNDATION)	Gaby Ramm (INDEPENDENT MICROINSURANCE CONSULTANT)
Aaron Oxley (RESULTS UK)	Ernst Rauch (MUNICH RE)
Simone Ruiz-Vergote (ALLIANZ CLIMATE SOLUTIONS)	Jakob Rhyner (UNIVERSITY OF BONN)
Sara Jane Ahmed (INSTITUTE FOR ENERGY ECONOMICS AND FINANCIAL ANALYSIS, IEEFA)	Rupalee Ruchismita (RESILIENCE DESIGN AND RESEARCH LABS)
Benjamin A. Antwi-Boasiako (ALLIANZ CLIMATE SOLUTIONS)	Swenja Surminski (GRANTHAM RESEARCH INSTITUTE ON CLIMATE CHANGE AND THE ENVIRONMENT, LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE, LSE)
Isaac Anthony (CCRIF SPC)	Carol Wakefield (DASHWOOD BREWER & PHIPPS)
Florent Baarsch (IFAD)	Koko Warner (UNFCCC)
David Bresch (ETH ZURICH)	Simon Young (WILLIS TOWERS WATSON)
Craig Hart (JOHNS HOPKINS UNIVERSITY AND PEOPLE'S UNIVERSITY OF CHINA)	

Honorary Members

Andrew Dlugolecki (founding member) (ANDLUG CONSULTING)	Ian Burton (founding member) (UNIVERSITY OF TORONTO)
Eugene Gurenko (founding member) (WORLD BANK)	Silvio Tschudi (ALLIANZ SE)



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.

Please contact Michael Zissener at [mcii@ehs.unu.edu](mailto:mcii@ehs.unu.edu) if you are interested in applying for membership.

# ENVIRONMENTAL PERFORMANCE



We compensate all climate relevant emissions due to air travel through Atmosfair



When possible we combine missions to reduce the number of long distance flights



When possible we use telecommunication channels rather than traveling to meetings



For travel within Germany we only travel by train – this is supported by purchasing Bahncards (discount card for train ticket purchases) for those who travel frequently



We strive to only order vegetarian catering



We recycle moderation materials as much as possible to help decrease our paper waste

# CONTACT

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