

Munich Climate Insurance Initiative (MCII)
Action pledge to the Nairobi work programme on impacts, vulnerability and adaptation to climate change

The Munich Climate Insurance Initiative (MCII) was launched by Munich Re in April 2005 in response to the growing realisation that insurance-related solutions can support the adaptation to climate change advocated in the Framework Convention and Kyoto Protocol. This initiative brings together insurers, experts on climate change and adaptation, NGOs and policy researchers intent on finding solutions to the risks posed by climate change. MCII provides a forum and gathering point for insurance-related expertise on climate-change impact issues.

The Munich Climate Insurance Initiative is a registered non-profit association active in the promotion of international understanding, development aid and environmental protection. It is especially concerned with international frameworks (UNFCCC, World Bank, international development goals, etc.) and public-private protection and insurance mechanisms for those particularly affected by global climate change and climate-related hazards and the consequences thereof in general.

Overall objectives	<p>MCII’s work relates to NWP in the areas: Methods and tools; Data and observations; Climate-related risks and extreme events; Adaptation practices and planning; Research and Technologies for adaptation.</p> <p>MCII’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 weather-related catastrophes, especially in developing countries. The association’s focus is primarily on solutions for people who have no access to insurance cover as things stand at present.</p> <p>The protection and insurance mechanisms are intended to promote a socially, ecologically and economically sustainable development process, above all in the regions particularly affected by global climate change in developing countries. This involves formulating various options for public-private cooperation and appropriate international and national frameworks and supporting their implementation.</p>
Project purpose	<p>MCII strives to fulfil four objectives:</p> <ol style="list-style-type: none"> 1. To facilitate insurance-related solutions to help deal with the impact of climate change using the combined resources and expertise of the public and private sectors; 2. To conduct and support pilot projects for the application of insurance-related solutions in partnerships and through existing organisations and programmes. To identify success stories and disseminate information on the factors necessary to design and implement effective climate insurance-related

mechanisms. These activities will focus on developing countries but will at the same time involve the evaluation of insurance solutions that have been used in developed countries;

3. **To promote insurance-related approaches in cooperation with other organisations and initiatives** and within existing frameworks such as the United Nations, international financial institutions, international donors and the private sector;
4. **To identify and promote loss-reduction measures** for tackling climate-related events.

Activities

The Munich Climate Insurance Initiative has four work streams relevant to the NWP:

1. **Climate negotiations.** Work with UNFCCC and country delegations to raise awareness of insurance-related mechanisms as adaptation measures under paragraph 4.8 of Framework Convention and Article 3.14 of the Kyoto Protocol.
2. **Pilot projects:** Pilot projects demonstrate how insurance mechanisms can be used to help the poor adapt to adverse climatic conditions
3. **Capacity building** through a series of workshops and expert group meetings targeting experts, NGOs and humanitarian organizations, and the primary insurance sector
4. **Dissemination.** Research and publish papers illustrating how insurance-related mechanisms can be used to promote loss reduction measures related to climate risks.

The following organisations, communities and experts are engaged in MCII activities

- The Parties of the UNFCCC, UN and other international organizations, NGOs and other Observers to the climate negotiations
- Ministries, civil society, foundations

MCII Membership includes individuals from the following organizations:

- Allianz SE
- DFID
- Earlybank
- Germanwatch
- IIASA
- Institute for Catastrophic Loss Reduction
- Institute for Environmental Studies (IVM)
- Paris Re
- MicroInsure
- Munich Re
- Munich Re Foundation
- Potsdam Institute for Climate Impact Research (PIK)
- Risk Management Solutions (RMS)
- Sustainability Research Institute, University of Leeds
- United Nations Development Programme (UNDP)
- United Nations University Institute for Environment and Human Security (UNU-EHS)

- University of Toronto

Expected results

MCII strives to support Parties with technical and other information that will enable a sound discussion of the benefits of insurance mechanisms to facilitate and realize adaptation to climate change, particularly in developing countries. MCII strives to see an insurance mechanism in the Copenhagen Agreed Outcome. Additionally MCII promotes the greater use of insurance mechanisms to help developing countries manage weather-related extreme events.

Indicators of achievement

The presence of insurance mechanism(s) in the negotiations text in 2009. The increase of insurance mechanisms at all levels (micro-, meso-, and macro-) to manage the risk of extreme weather events in developing countries. Increased insurance industry engagement and dialogue with the public sector in the climate negotiations.

The Nairobi work programme covers two thematic areas: Impacts and vulnerability and Adaptation planning, measures and actions, each with several action-orientated sub-themes as follows:

(a) Impacts and vulnerability:

(i) Promoting development and dissemination of methodologies and tools for impact and vulnerability assessments, such as rapid assessments and bottom-up approaches, including as they apply to sustainable development;

(ii) Improving collection, management, exchange, access to and use of observational data and other relevant information on current and historical climate and its impacts, and promoting improvement of observations, including the monitoring of climate variability;

(iii) Promoting the development of, access to, and use of information and data on projected climate change;

(iv) Promoting understanding of impacts of, and vulnerability to, climate change, current and future climate variability and extreme events, and the implications for sustainable development;

(v) Promoting the availability of information on the socio-economic aspects of climate change and improving the integration of socio-economic information into impact and vulnerability assessments;

(b) Adaptation planning, measures and actions:

(i) Promoting the development and dissemination of methods and tools for assessment and improvement of adaptation planning, measures and actions, and integration with sustainable development;

(ii) Collecting, analysing and disseminating information on past and current practical adaptation actions and measures, including adaptation projects, short- and long-term adaptation strategies, and local and indigenous knowledge;

(iii) Promoting research on adaptation options and the development and diffusion of technologies, know-how and practices for adaptation, particularly addressing identified adaptation priorities and building on lessons learned from current adaptation projects and strategies;

(iv) Facilitating communication and cooperation among and between Parties and relevant organizations, business, civil society and decision makers, and other stakeholders;

(v) Promoting understanding and the development and dissemination of measures, methodologies and tools including for economic diversification aimed at increasing economic resilience and reducing reliance on vulnerable economic sectors, especially for relevant categories of countries listed in Article 4, paragraph 8, of the Convention.