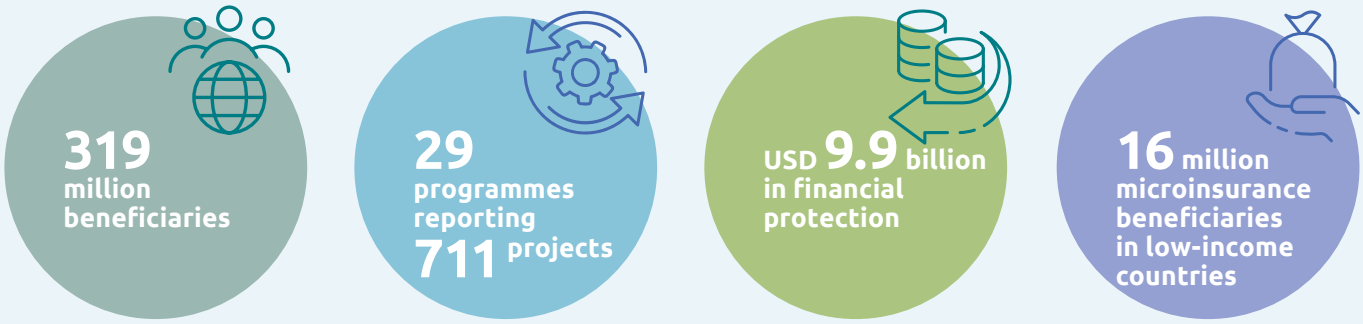
Vision 2025 Update
Achievements in 2024

Introduction

The Global Shield against Climate Risks, together with partners of the precursor initiative, the InsuResilience Global Partnership (IGP), remains committed to the InsuResilience Vision 2025, which was launched at the UN Climate Action Summit 2019 to track financial protection against climate and disaster risks across a broad range of implementing entities. The Vision 2025 Update provides an overview of the progress achieved in strengthening Climate and Disaster Risk Finance and Insurance (CDRFI) instruments in climate-vulnerable countries and communities. This year's report is based on data collected by the Global Shield Secretariat for 2024. It focuses on three key areas: (1) how CDRFI reaches the most vulnerable population, (2) how coverage volume for CDRFI has expanded, and (3) how CDRFI provides support at the micro-, meso-, and macro-levels[1].

Key Highlights

In 2024, more than **310 million people globally** benefitted from access to CDRFI instruments under Vision 2025, protecting them against the devastating impacts of climate-induced events. Most beneficiaries live in areas and countries **that are highly affected by extreme weather events**, including tropical regions, small island states, and low- and lower-middle-income countries in South and Southeast Asia and Sub-Saharan Africa. The protection was provided through a total of **711 projects** implemented by partners of the former IGP, with a total coverage volume of **USD 9.9 billion in financial protection**.

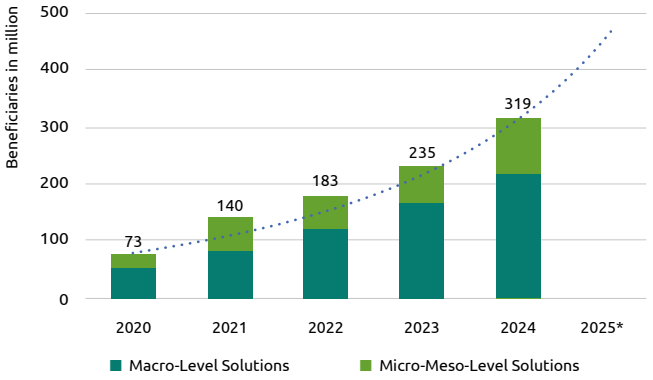


1 If you are interested in learning more about the CDRFI toolbox, please find further information online: Instruments | The Global Shield against Climate Risks

Vision 2025: reaching the most vulnerable

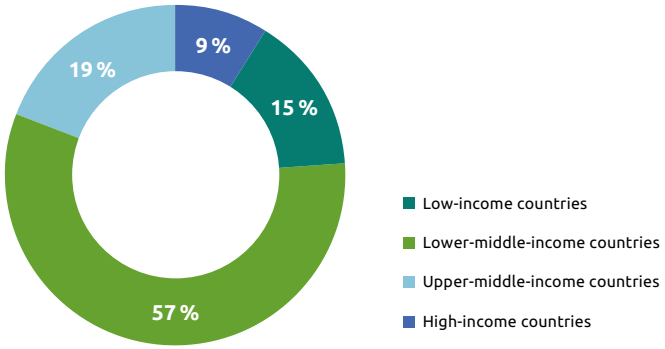
Since the launch of Vision 2025 in 2019, the number of people protected has steadily increased. A total of **319 million people benefitted from CDRFI instruments in 2024,** representing a 36% increase compared to 2023 and underscoring the continued effort towards the goal of protecting 500 million people by the end of 2025. Although this ambitious target has not yet been reached, the constant growth in beneficiaries highlights the momentum around CDRFI solutions.

Total number of beneficiaries from 2020 to 2024



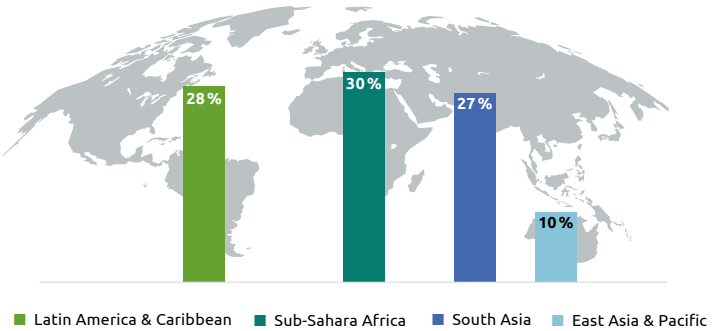
In line with the objective of Vision 2025, CDRFI solutions primarily support the most vulnerable populations. **72% of beneficiaries** are based in **low- and lower-middle-income countries**. In **low-income countries, beneficiaries rose by over 37%**, from 34 million in 2023 to **47 million people protected in 2024**. Over 22 million of these benefitted from access to meso- and micro-level CDRFI instruments. **Microinsurance beneficiaries in low-income countries nearly doubled from 8.8 million in 2023 to about 16 million in 2024**. This reflects the growing efforts undertaken to expand inclusive insurance for vulnerable groups,

Share of beneficiaries across different country income categories in 2024



making climate risk protection more accessible and affordable for small-scale farmers, low-income households, Micro-, Small and Medium-sized Enterprises (MSMEs) and women. However, some studies show that challenges remain: access to financial services remains limited, the crucial barrier of affordability still needs to be overcome[2], and financial literacy and insurance awareness continue to be limited in many low-income countries[3], hindering the adoption of CDRFI solutions and the development of local inclusive insurance markets.

Distribution of projects across different regions in 2024

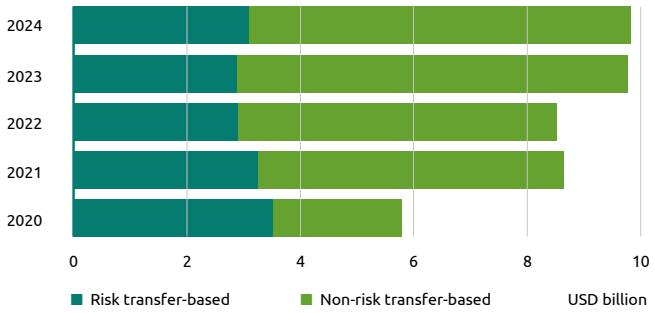


2 ODI (2023). Barriers to addressing climate change-related losses and damages in low- and middle-income countries
3 IMF (2022). Climate Change and Select Financial Instruments: An Overview of Opportunities and Challenges for Sub-Saharan Africa

A slight increase in pre-arranged finance levels

The volume of pre-arranged finance, measured in total coverage volume[4] across all Vision 2025 programmes, reached USD 9.9 billion in 2024, indicating a slight increase from USD 9.8 billion in 2023[5]. Risk transfer-based instruments, such as macro-level insurance policies from regional risk pools and catastrophe bond transactions accounted for 32% (USD 3.1 billion) of coverage, while non-risk transfer-based instruments, such as contingent credit made up 68% of coverage volume. In 2024, the regional risk pools have expanded their coverage offered to a total of 46 countries. Notably, Pacific Catastrophe Risk Insurance Company's (PCRIC) coverage volume increased by 57% compared to 2023, partly due to premium support from the Global Shield Solutions Platform – one of the Financing Vehicles under the Global Shield. This enabled expanded membership and coverage in the Pacific.

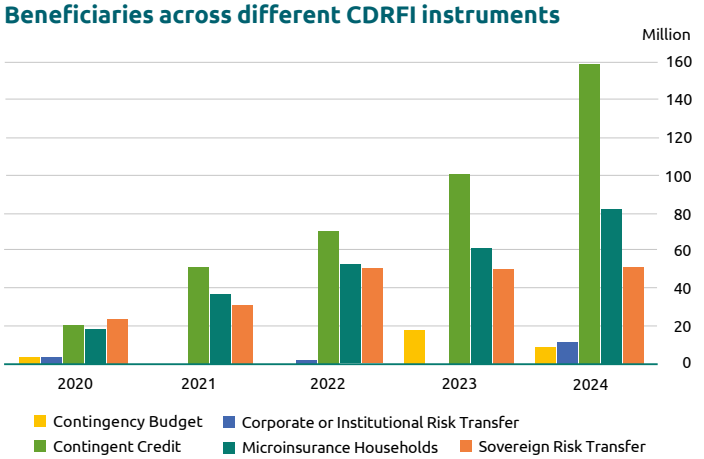
Coverage volume offered by CDRFI solutions under Vision 2025 from 2020 to 2024



Implementation in progress at micro-, meso- and macro-levels

In 2024, institutions and programmes contributing to Vision 2025 implemented a total of 711 projects, offering 411 active CDRFI solutions[6] **and spanning 128 countries globally** (see Annex for details)**. Macro-level instruments are now in place in 70 climate-vulnerable countries**[7]**, surpassing the Vision 2025 target of 60 countries** and protecting over 68% of total Vision 2025 beneficiaries. Half of the estimated 319 million beneficiaries are protected through contingent credit lines, offered by the World Bank Group, the Asian Development Bank, and the Inter-American Development Bank. Further, 16% of beneficiaries are protected via macro-level risk transfer instruments. Macro-level CDRFI instruments provide critical support to governments and populations during disaster relief and recovery efforts, through quick disbursement of funds. More than half of the products offered by regional risk pools in 2024 were reported to meet the two-week payout benchmark.

Beneficiaries across different CDRFI instruments



Uptake of meso- and micro-level solutions has also increased, with 62 climate-vulnerable countries benefitting from these solutions in 2024, compared to 59 countries in 2023, leading to an estimated 100 million beneficiaries (31% of total beneficiaries). To meet Vision 2025's initial target of 70 countries with meso- and micro-level protection in place, further progress is expected throughout 2025. The Global Shield recognises this opportunity and supports countries in assessing risks, determining financial protection needs and identifying tailored and risk-layered solutions.

4 Coverage volume represents the amount of financial protection provided by CDRFI instruments, determined by calculating the total maximum payouts that would be disbursed if trigger conditions were met.

5 Despite limited growth in coverage volume, Asian Development Bank's USD 500 million contingent credit line for Pakistan led to a sharp rise in beneficiaries, primarily due to the country's low per capita relief cost. Additionally, the total coverage volume does not fully capture most meso- and micro-level CDRFI instruments due to insufficient data, even though these instruments reached a significant number of beneficiaries in 2024. This explains the disproportionately higher increase in beneficiaries compared to coverage volume between 2023 and 2024.

6 Projects with active solutions are projects that have led to active CDRFI solutions and have active beneficiaries at the time of reporting. With this new definition, numbers may vary from previous InsuResilience Annual Reports.

7 Climate-vulnerable countries are those that are particularly susceptible to climate impacts because of both exposure and constrained adaptive capacity due to economic development levels. Under Vision 2025 reporting, this includes all members of the V20 Group as well as those on the DAC-ODA list.

The final year of Vision 2025

Overall, 2024 can be considered a year of important progress towards Vision 2025 targets and the objective of providing financial protection, especially to those most vulnerable to climate risks and with little to no capacity to cope when confronted with climate-induced shocks. Nonetheless, the data clearly demonstrates that an increase and improvement in CDRFI instruments, tailored to meet the needs of specific vulnerable beneficiary groups, particularly at the household level are needed. With 2025 marking the final year of the jointly set ambition for Vision 2025, the Global Shield against Climate Risks, together with its partners, will continue to engage with the broader CDRFI community to build on the momentum and progress achieved and continue ramping up efforts and mobilising support for increasing and improving access to pre-arranged finance for climate-vulnerable countries and communities.

ANNEX

Overview of Vision 2025 Programmes

Reporting Programmes and Members[1]	No of projects[2]
African Risk Capacity (ARC)[3]	27
Africa Inclusive Climate Risk Insurance Program	8
ARC Replica	21
Asian Development Bank (ADB)	18
Asia-Pacific Climate Finance Fund (ACliFF)	12
CCRIF SPC (formerly The Caribbean Catastrophe Risk Insurance Facility, CCRIF)	72
CGIAR	1
Climate Risk and Early Warning Systems (CREWS)	97
Global Index Insurance Facility (GIIF)	2
Global Shield Financing Facility (GSSF, formerly Global Risk Financing Facility)	18
IBISA	11
World Bank IBRD Catastrophe Bonds	3
IDB Contingent Credit Facility for Natural Disaster Emergencies and Public Health Emergencies (CCF)	15
InsuResilience Investment Fund (IIF)[3]	38
InsuResilience Solutions Fund (ISF)[3]	57

Reporting Programmes and Members[1]	No of projects[2]
Luxelare	3
Microinsurance Catastrophe Risk Organisation (MiCRO)[3]	12
Natural Disaster Fund (NDF)[3]	112
Pacific Catastrophe Risk Insurance Company (PCRIC)	16
Promotion of Shock Resilient Loans in West Africa[3]	4
PULA Advisors	42
RADIANT YACU	2
Southeast Asia Disaster Risk Insurance Facility (SEADRIF)	2
UNDP Insurance and Risk Finance Facility	27
Urban Infrastructure Insurance Facility (UIIF)[3]	4
WFP Anticipatory Action	33
WFP's Disaster Risk Financing[3]	39
World Bank IBRD Cat DDOs	6
World Bank IDA Cat DDOs	9

1 The number of listed programmes here may differ from the total reported, as some programmes are included under InsuResilience Solutions Fund (ISF).
2 The list includes ongoing projects as well as projects in development.
3 Supported or (co-)initiated by KfW

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