

The Mitigation Action Facility's risk appetite at a glance

Enabling ambition through informed risk-taking

On behalf of

Supported by:



of the Federal Republic of Germany



Risk management at the Mitigation Action Facility is the systematic process of identifying, assessing, monitoring, and responding to risks that could affect the achievement of its objectives.

A risk is defined as any threat to the achievement of the Mitigation Action Facility's objectives, including its ability to deliver transformational climate mitigation, maintain financial integrity, and ensure compliance with relevant safeguards.

The Mitigation Action Facility promotes a risk-aware approach that recognises uncertainty as an inherent feature of ambitious climate action.

Risk appetite describes how much risk an organisation is willing to accept in pursuit of its objectives.



Mitigation Action
Facility

What is the Risk Appetite Statement?


It serves as the foundational document of the Mitigation Action Facility's Risk Management Framework and is an articulation of the types and levels of risk the Mitigation Action Facility is willing to accept, tolerate, or avoid, ensuring alignment with its strategic goals. Therefore, it offers guidance for managing and directing the overall risk-taking and risk management across all areas of work.

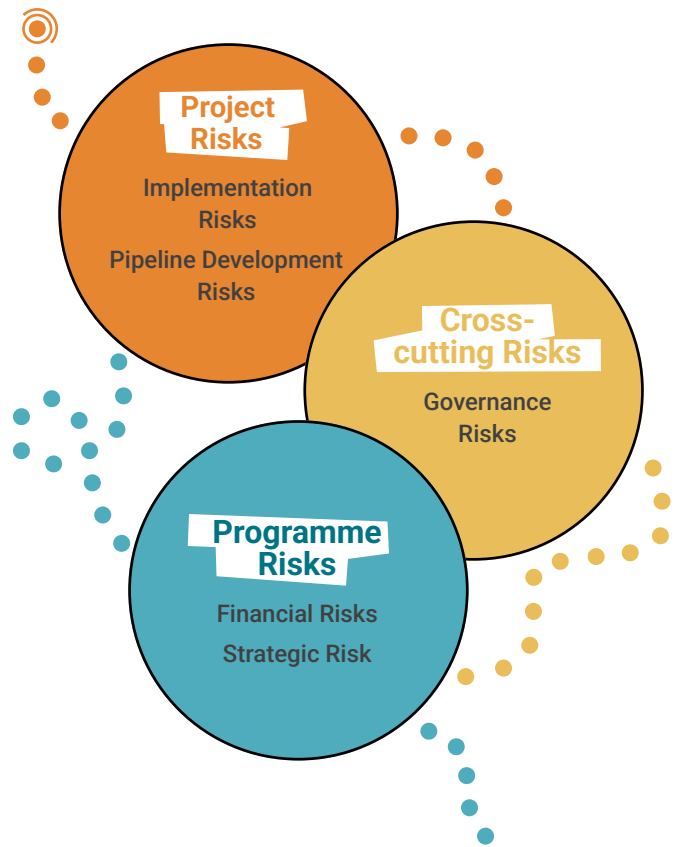
Where we take risks...


- ✓ Innovation and first-of-a-kind solutions, including new technologies, delivery approaches, and business models
- ✓ New and innovative financing models to overcome market and investment barriers
- ✓ Piloting and demonstration projects designed to generate learning and evidence for scale-up
- ✓ Complex political, economic, and institutional contexts, particularly in developing and emerging economies

Where we have zero tolerance¹ ...

- ✗ Fraud, corruption, or misuse of funds
- ✗ Legal or regulatory non-compliance
- ✗ Investments in fossil fuels
- ✗ Human rights violations, including abuse, exploitation, discrimination, or child labour
- ✗ Environmental harm that contradicts climate or safeguard objectives
- ✗ Actions that could cause reputational damage to the Mitigation Action Facility or its partners

¹ These zero-tolerance principles are aligned with the  [IKI Exclusion Criteria](#), which are contractually binding for all Mitigation Action Facility projects and the commissioning of the Technical Support Unit.



The  [Independent Complaints Mechanism \(ICM\)](#) of the International Climate Initiative (IKI) offers an independent, transparent, and reliable channel for reporting allegations related to the zero-tolerance areas listed on the left. Reports can be submitted directly and anonymously.

What does this mean in practice...

For applicants

Set out the key assumptions and barriers underlying your Project Concept, identify those with the highest uncertainty and potential impact, and explain how these risks will be managed.

For projects

Proactively identify, manage, and quarterly report on risks. Continuously adapt to challenges through risk mitigation actions, and share relevant lessons learnt with the TSU and peers to support collective learning.

For the TSU

Aggregate and analyse risks across the portfolio, translate findings into guidance, trend analyses, and process improvements, and support risk-informed strategic and operational decisions by the Board.

For new donors


Explore the Mitigation Action Facility's approach to strategic risk-taking and join efforts to deliver high-impact, well-governed mitigation action!

Imprint and contact

Published by:
Mitigation Action Facility
Technical Support Unit
Köthener Straße 2–3
10963 Berlin, Germany

Design: Leinhäuser Language Services | leinhaeuser.com

Update: March 2026

email → 

website → 

newsletter → 

LinkedIn → 



For further information and all relevant materials, visit our website:

www.mitigation-action.org



On behalf of

Supported by:



of the Federal Republic of Germany