

# Innovative Climate Risk Financing for the Agricultural Sector in the ASEAN Region

## (Agri-Climate Risk Financing)

### Project Overview:

<b>Objective</b>	Farmers' access to resilience-enhancing and gender-responsive climate risk finance has improved.
<b>Commissioned by</b>	German Federal Ministry for Economic Cooperation and Development (BMZ)
<b>Implemented by</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
<b>Country</b>	10 ASEAN member states with implementation in Indonesia (cacao value chain), Thailand and Vietnam (rice value chain)
<b>Political partner</b>	ASEAN Secretariat, ASEAN Sectoral Working Group on Crops (ASWGC)
<b>Target groups</b>	Smallholder farmers, financial, private, state institutions, standard-setting organisations, ASEAN working groups
<b>Project Volume</b>	4,000,000 EUR
<b>Duration</b>	Tentative 01/2023 – 12/2025 (3 years)



### Project Description:

The “Innovative Climate Risk Financing for the Agricultural Sector in the ASEAN Region” (Agri-Climate Risk Financing) project, commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by GIZ in close cooperation with ASEAN member states, promotes climate risk financing for the agricultural sector in cooperation with the relevant ASEAN working groups (crops, climate change and finance) through policy recommendations, updated work plans and improved technical knowledge. In collaboration with financial institutions and technology providers in the ASEAN member states, the project facilitates designing and improving resilience-enhancing and gender-responsive climate risk financing products and

services. Technical capacity at institutional and smallholder farmers’ level in ASEAN member states will be improved to increase uptake of financial services through training and pilot implementation. Experiences from, and synergies with the project at ASEAN and member state level, especially regarding climate risk insurance and climate risk financing considerations in sustainability standards will also be included.

The project uses four (4) approaches to meet the objective:

- **Approach 1:** Promoting the topic of climate risk finance in ASEAN. Example activities: Regional technical exchanges on the climate risk finance

Published by

related topic, technical study as input for policy document(s) on resilience-enhancing climate risk financing for the agricultural sector in the ASEAN region.

- **Approach 2:** Increased supply of climate risk finance (target: financial institution). Example activities: Facilitating financial institution(s) in developing or improving resilience-enhancing climate risk finance products, training for the financial institutions on the related topic.
- **Approach 3:** Increasing the professional competences of actors (target: farmers and non-financial institution). Example activities: Developing of training program and conducting training for partner organizations and target groups on the topic.
- **Approach 4:** Linking sustainability standards and climate risk finance. Examples activities: Contributing to a standard revision process and participating in consultation processes for linking agricultural sustainability standards and gender-responsive climate risk finance.

## ASEAN Member State at the Regional Level:

The project aims to facilitate regular technical exchanges for all ASEAN member states by both providing expert knowledge and peer exchanges. To promote and collaborate on the topic of climate risk financing for the agricultural sector, the project focuses on consulting relevant ASEAN working groups, initiatives in the areas of agriculture, finance and climate. Expectedly, the policy recommendations or the updated workplan can be further promoted at the

ASEAN high-level in the future leading the way to constructive regional cooperation, and allows AMS, relevant ASEAN bodies and sectors to work together long-term and across country borders.

## Implementation at the National Level (Indonesia, Thailand and Vietnam):

In countries, the project will be focusing on the **rice** (Thailand and Vietnam) and **cacao** (Indonesia) **value chain** and will be providing advice and co-design trainings to **enhance the technical capacity of stakeholders from financial institutions and technology providers**. At the same time, the project will **promote farmers' access** to resilience-enhancing and gender-responsive climate risk financing products and services by offering trainings to smallholder farmers and non-financial institutional actors (government, cooperatives, NGOs), e.g. on financial literacy on climate risk financing to increase uptake of financial products and services.

In addition, the project will **link sustainability standards and gender-responsive climate risk financing**, and pilot-test the concept. This includes, for example, the draft basic mechanisms of agricultural sustainability standards and gender-responsive climate risk finance products in collaboration with different stakeholders, and recommendations for action and case studies from the project implementation.

**Contact:** Julian Tost, Project Director  
**Email:** [julian.tost@giz.de](mailto:julian.tost@giz.de)  
**Tel.:** +66 80 007 9589

**Published by:**  
Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices  
Bonn and Eschborn, Germany

Dag-Hammarskjöld-Weg 1 - 5  
65760 Eschborn, Germany  
T +49 61 96 79-0  
F +49 61 96 79-11 15  
E [info@giz.de](mailto:info@giz.de)  
I [www.giz.de/en](http://www.giz.de/en)

**Author:**  
Metta Kongphan-ampirak, GIZ

**Editing and Design:**  
Metta Kongphan-ampirak, GIZ

**Photo credits:**  
©GIZ Thailand

On behalf of  
German Federal Ministry for Economic  
Cooperation and Development (BMZ)

Bangkok, Thailand, 2023

On behalf of



Federal Ministry  
for Economic Cooperation  
and Development