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PROJECT BRIEF

VIETNAM

Vietnam is one of the most vulnerable countries to climate change, facing extreme weather events including heatwaves, droughts, tropical cyclones, and intense flooding. These climate challenges pose significant risks to Vietnam's agricultural sector, particularly for the 600,000 households cultivating Robusta coffee, 90% of which are located in the Central Highlands region. The Project Partners propose to refine and scale up existing insurance products, currently covering 100 Robusta coffee farmers by introducing an index-based insurance product. This solution will enable rapid payouts and swift response measures integrated into a comprehensive disaster risk financing framework that links triggers, funding, and digital contingency plans from the national to the community level.

PRODUCT CHARACTERISTICS

Target group
Smallholder coffee farmers, field size of 2ha (average)

Target region
Lam Dong, Dak Lak – potentially Gia Lai, Dak Nong and Kontum

Insured asset
Agricultural production (Robusta coffee)

Insured peril / hazard
Drought, extreme rainfall

Insurance type
Micro-level approach (group policies)
Scale up of existing piloted products

Own contribution
50.4% of total ISF project costs

PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

- Refining the existing insurance products and adapting them to additional regions;
- Structuring and pricing the risk for adapted products;
- Identify and develop an appropriate insurance premium payment model;
- Development of IT solutions;
- Development and implementation of a marketing and distribution plan;
- Awareness raising activities and distribution via ECOM's and Bao Minh's distribution networks;
- Leveraging of climate smart agriculture (CSA) to reduce coffee farmer climate risk while maintaining/promoting biodiversity.

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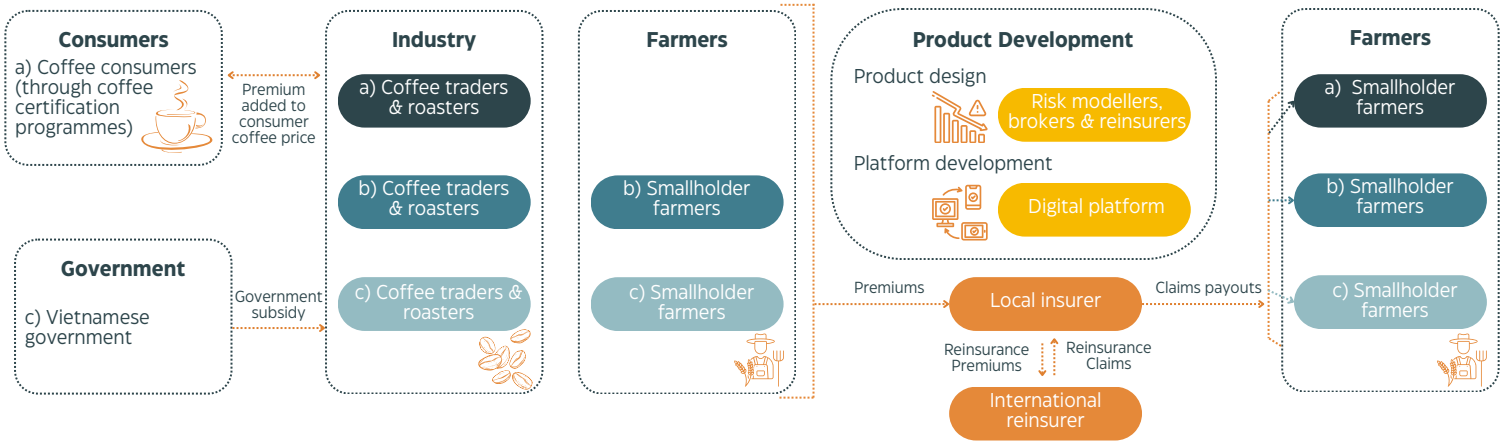
PROJECT SET UP



EXPECTED IMPACTS

- Bundled insurance cover (e.g., wind, rain, and fire) for micro, small and medium-sized enterprises (MSMEs).
- A standalone rainfall product.
- Leveraging the partner insurances distribution channels.
- Digital onboarding and policy administration services through the iOnboard CRM platform.
- Specifically reaching out to women within the target group to ensure a gender-balanced implementation.
- Awareness and knowledge building of individuals and cooperatives about climate risk insurance through engagement by aggregators, print and social media channels.

PROJECT PARTNERS

DEMAND

- ACOM Vietnam / Private coffee processing and trading company / VN
- IPSARD / Government organisation / VN
- Bao Minh Insurance Corporation / Insurance company / VN

SUPPLY

- WTW / Insurance broker / UK
- The Alliance of Biodiversity International and CIAT / Public research organisation / VN-IT
- University of Southern Queensland / Public University / AU

EXPECTED BENEFICIARIES [1]

55,000 by 2026
50-100% vulnerable

IMPLEMENTATION PERIOD

NOV 2024 — NOV 2026

GRANT AMOUNT

EUR 1,060,485

[1] Based on submission documents requiring use of IGP M&E Methodology.