



Strengthening gender equality and resilience through innovative climate-risk finance

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Climate change does not affect women and men equally.

As the ASEAN region experiences more heat waves, droughts, storms and rising sea levels, women are impacted most. This is because women are typically in charge of feeding their family, have less control over land and property, and less access to credit, insurance, information, and government support. Women in agriculture are paid less than men, have less access to education, and are more likely to live in poverty. Pressures on women intensify during climate-related disasters when it becomes harder to care for their family and cases of domestic violence increase. All this makes it more difficult for women to adapt their farming practices, manage the impacts of climate change, and invest in their futures.



Gender inequality in access to information, education, resources, rights, and decision-making leave women less resilient to climate change and excluded from climate finance solutions.

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Women in agriculture face 3 main barriers: resources, information & rights



FINANCIAL RESOURCES

Women work harder for less

Women do a disproportionate amount of work on farms and in the household. They tend to do more manual labor than men, for less pay, and are responsible for unpaid domestic chores and care work.

It is harder for women to borrow money and buy insurance

Large loans are difficult for women to access without collateral, such as land. Men use insurance four times more than women, who may not be aware of insurance as a concept, cannot afford it, or prioritize household expenses and saving for emergencies.



INFORMATION

Women have less access to information and training

Men tend to receive more training and agricultural extension services.

Knowledge of crop production is important for women and men to decide together how to invest financial support after a disaster, such as insurance payouts.

Women have lower financial literacy

Women have less awareness and understanding of what financial products and services are available, how they work, the risks, and how they could improve their lives.



RIGHTS AND DECISION-MAKING POWER

Women are often excluded from major financial decisions

Although women tend to be responsible for managing daily household finances, men typically control larger amounts of money, such as loans.

Women have less access to land, property, and assets

Far fewer women than men own land and property. When they do, they have less secure rights and plots tend to be smaller and lower quality. Without land ownership, women are less likely to adopt farming techniques that reduce climate risk.

What do farmers need to be more resilient to climate change?

To anticipate, adapt to, and cope with the impacts of climate change, farmers in the ASEAN region need to be able to make long-term investments in conserving soil and water, growing more diverse and drought-resistant crops, and protecting themselves, their families, livestock, land, and homes from disasters. Climate-risk financing that supports gender equality and resilience can ensure that women are included in important investment decisions and have more control over loans, insurance claims, government payments, and other climate finance solutions.

Recommendations:



Change how insurance claims are paid

Reconsider lump sum payments that automatically go to heads of households. Ideally, the husband and wife should both be recipients of the claim. If that is not possible, promote women as the prime beneficiary or provide a mix of cash and non-cash benefits.

 *Simplify the claims process by paying them out close to where claimants live.*



Provide financial literacy training for women and men

Conduct a training needs assessment to understand the financial competence and specific needs of women. Husbands and wives should do the training together so they both understand the financial products and services available to them.

 *Focus not only on women's financial knowledge, skills and attitudes, but also self-confidence.*



Take a community-led approach

Women tend to rely on the financial advice of friends and neighbors, so a community or women's group can be an effective and comfortable way for women to learn about financial services. Women's organizations can also support women to claim their rights as financial clients and negotiate with their husbands on the use of climate-risk finance.

 *Women's groups can be organized by age, such as young women's groups.*



Package climate-risk financing differently for women

Women tend to be more interested in health insurance, savings, and small business loans, so bundling these with agricultural insurance can support women's financial priorities and sustain their households until the next harvest.

 *Offer loans that do not require collateral, such as cash flow-based lending.*



Simplify loan and insurance documents and ID requirements

To make it easier for women to apply for agricultural loans and insurance, documents should use plain language and strong visuals. KYC (know your customer) requirements could also be relaxed or adapted for poor rural women who do not have proof of ID and address or have difficulty obtaining them.



Register informal agricultural workers

Women who are informal seasonal workers are often not covered by formal social security and their employment depends on the harvest. Registering these workers would allow them to be included in climate-risk financing.



Promote gender equality in the financial industry

Women are often not seen as potential clients and there is low awareness in the insurance industry of men's and women's different financial needs and preferences. Providers should receive training in gender equality and reaching rural women customers, and gender-sensitive complaint mechanisms should be introduced. Mobilizing women agents may help to reach more women customers, and the industry can attract more women with equal pay, flexible working hours, childcare facilities, and pick-up/drop-off services.

 *All-women branches and single window service centers have been effective at reaching women customers, including for insurance pay-outs.*



To learn more about the Innovative Climate Risk Financing for the Agricultural Sector in ASEAN project, visit:

https://www.thai-german-cooperation.info/en_US/topic/topic-agriculture-food/

<https://www.asean-agrifood.org/>

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