

Financing Climate-Resilient Agriculture in Indonesia

Using climate-risk data and sustainable-finance criteria to guide investment across agricultural supply chains



PRIORITY CLIMATE RISKS

-  Flooding
-  Drought
-  Water stress
-  Supply-chain disruption

THE OPPORTUNITY



Combine national climate-vulnerability data, sustainable-finance criteria and commercial lending to direct capital toward resilient agricultural assets and supply chains.

NATIONWIDE PILOT



ALL COMMERCIAL BANKS

Portfolio-wide implementation across Indonesia



1 JANUARY 2027

Progressive rollout toward mandatory requirements

WHAT IS BEING TESTED?



- Classification of green and transition finance
- Consistent portfolio assessment and disclosure
- Integration of asset-level climate risk
- Application to lending decisions

PRIORITY APPLICATIONS

-  Palm oil and food-crop value chains
-  Efficient irrigation and reservoirs
-  Climate-resilient crop varieties
-  Sustainable landscape and forest restoration

LIKELY BORROWERS



- Mid-to-large agribusiness corporations
- Smallholder farmer groups within strategic supply chains

POTENTIAL FINANCE



Green and sustainability-linked loans • Risk-sharing and blended finance

KEY BARRIERS



- High upfront investment costs
- Limited hyper-local climate data
- Smallholder capacity constraints
- Difficulty translating data into finance



THE ROUNDTABLE QUESTION

How can financial institutions scale adaptation finance for agricultural supply chains despite high upfront costs and data gaps?



Moving Private-Sector Adaptation Projects Forward: What Will It Take?

FINI World Café • 3rd CAIP Forum

