



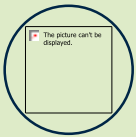
FINAGRO

El Niño 2026 - 2027

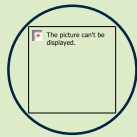
October 2026

Finagro

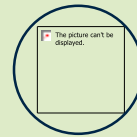
Countercyclical actions to protect production, de-risk credit and promote rural resilience



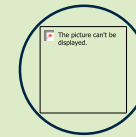
ANTICIPATE



ABSORB



RESPOND



RECOVER

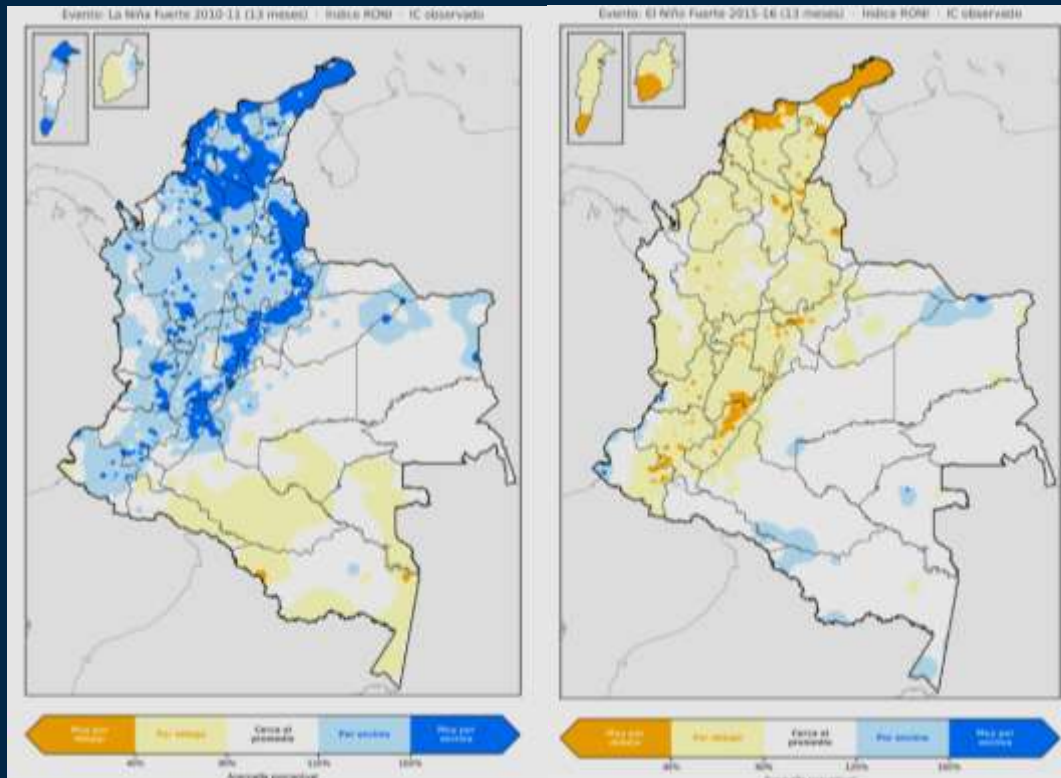


ENSO* phenomenon occurrence

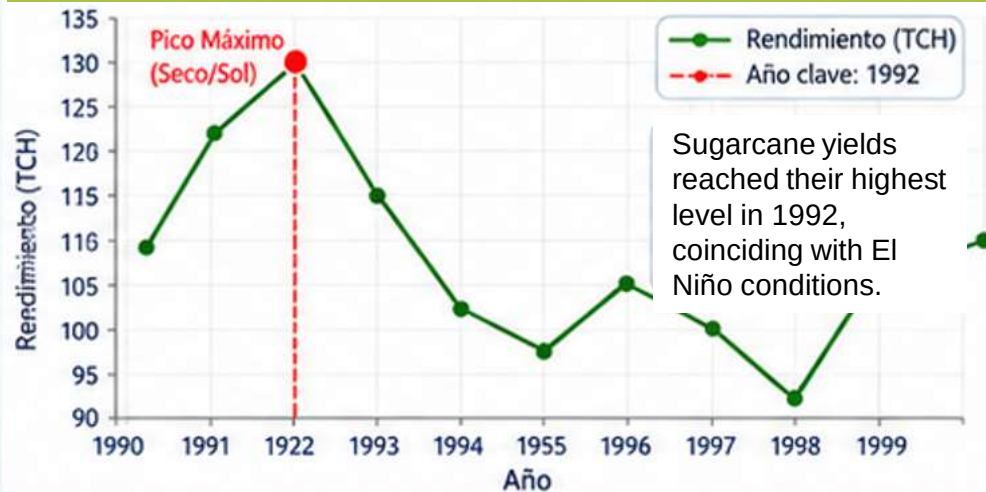
*El Niño—Southern Oscillation

Heterogeneous effects of ENSO

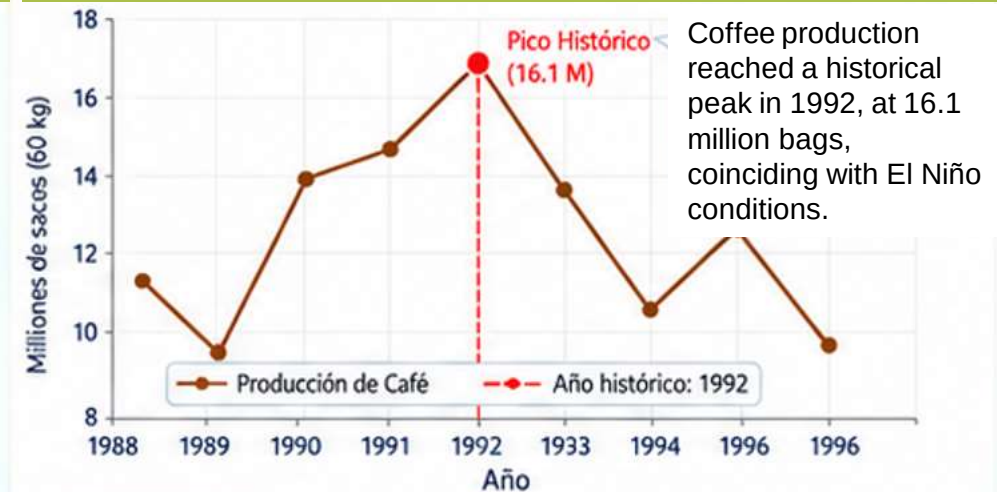
An ENSO event does not produce uniform spatial effects across the country or across agricultural value chains



Historical performance of sugarcane yields (1990–1999)



Trends in coffee production in Colombia (1988–1996)





FINAGRO's role in a climate shock



Information and financial services serving public policy

Public mandate

Align instruments with
agricultural policy priorities

Countercyclical capacity

Sustain financing when the
shock weakens cash flow

Integrated architecture

Combine credit,
guarantees, insurance and
incentives

Coordination

Mobilize banks, insurers,
authorities and partners

The distinctive value lies not in a single instrument, but in a coordinated financial response, at a national and international level.

El Niño quickly transmits into the financial system

Productive losses can become liquidity, credit and concentration risks.

Climate hazard



Water deficits, heat, fires or extreme rainfall.

Productive loss



Lower yields, damaged assets and higher costs

Financial stress



Lower income, liquidity shortages and price pressure

Risk to lenders



Portfolio deterioration, guarantee pressure and territorial concentration





The response begins prior to the shock and persists thereafter

- Each phase calls for different instruments and decisions, each serving a distinct purpose within comprehensive risk management.
- Each agricultural value chains and region requires an specific set of instruments at each phase.



BEFORE | Anticipate

Monitoring and exposure
Adaptation finance
Insurance for residual risk



DURING | Respond

Liquidity and continuity
Guarantees and loan adjustment
Operational coordination

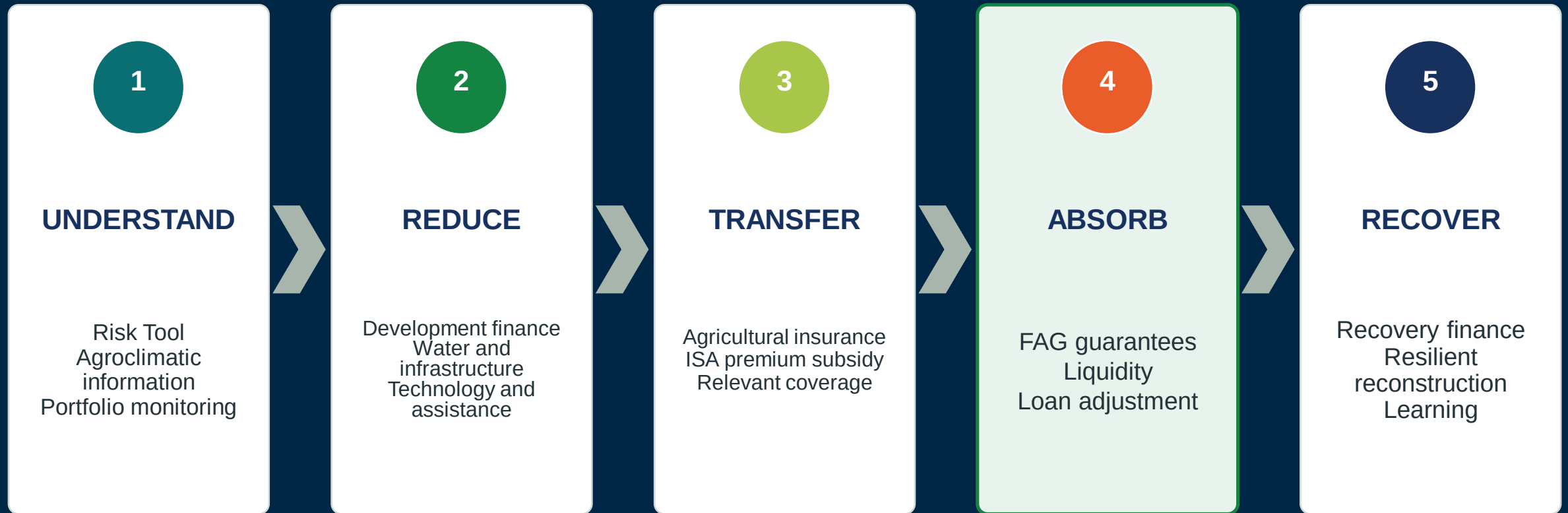


AFTER | Recover

Productive recovery
Resilient reconstruction
Evaluation and learning

An integrated risk management architecture

The right treatment depends on the hazard, vulnerability and residual risk.



Combining instruments protects livelihoods and preserves the capacity to finance development.

Operational actions in response to El Niño

Agile Risk Analysis (ARA)

Identifies threats, vulnerabilities and impacts by period and territory, integrating climate and sector information.

Threat / Component	Period of the Year					
	Jan Feb	Mar Apr	May Jun	Jul Aug	Sep Oct	Nov Dec
Water deficit						
Water excess						
Heat stress						
Fall armyworm						
Late blight						
Price volatility						

A specific crop or a general transitory crop can be selected.

Minimum Coverage Matrix - FINAGRO

A consultation tool for prioritizing risk management instruments.

Minimum Coverage

Productive activity: Planting period: Component / risk:

Component / risk	First date	Second date	Third date	Offer availability
► Strong winds				✓ Available
► Flooding				✓ Available
► Excess rainfall / Heavy precipitation				✓ Available
► Rainfall deficit / Drought				✓ Available
► Hail				✓ Available
► Frost				✓ Available

1 Identify exposure

Combine hazard, activity, territory, production cycle and portfolio data.

2 Protect investment

Agricultural insurance and ISA with relevant coverage.

3 Support recovery

Restore production without rebuilding vulnerability.

4 Finance adaptation

Water, soil, infrastructure, energy and technology

5 Sustain credit

Guarantees and loan adjustments when cash flow is affected.

5 Coordinate and learn

Measure results and adjust instruments with the ecosystem.

Lessons for an effective countercyclical response

Institutional resilience is built through anticipation and coordination.



A countercyclical response protects producers and the sustainability of rural finance.

Collaboration agenda with IFAD and Agri-PDB

Turn international coordination into operational capacities and instruments.

Data and early warning (ABCmap)



Translate forecasts into financial decisions

Contingent finance



Explore liquidity, guarantees and scalable resources.

Financial protection



Strengthen insurance and blended solutions.

Peer learning among PDBs



Share protocols, metrics and lessons.



Anticipating risk, financing adaptation and preserving response capacity is an investment in food-system stability and



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