



OPPORTUNITY
AgFinance



Climate and Resilience Strategy

DECEMBER 2025

“

Nowhere are the needs for climate adaptation more pressing than in the agriculture sector. Not only does the production of agriculture rely directly on weather and associated biological processes, but the people who are directly involved in agriculture are also some of the most economically vulnerable in the world.”

– FAO, 2020¹



¹Food and Agriculture Organization of the United Nations (FAO). (2020). Supporting climate adaptation in smallholder agriculture: Summarizing lessons learnt (Technical brief). FAO. <https://www.fao.org/3/cb1768en/CB1768EN.pdf>





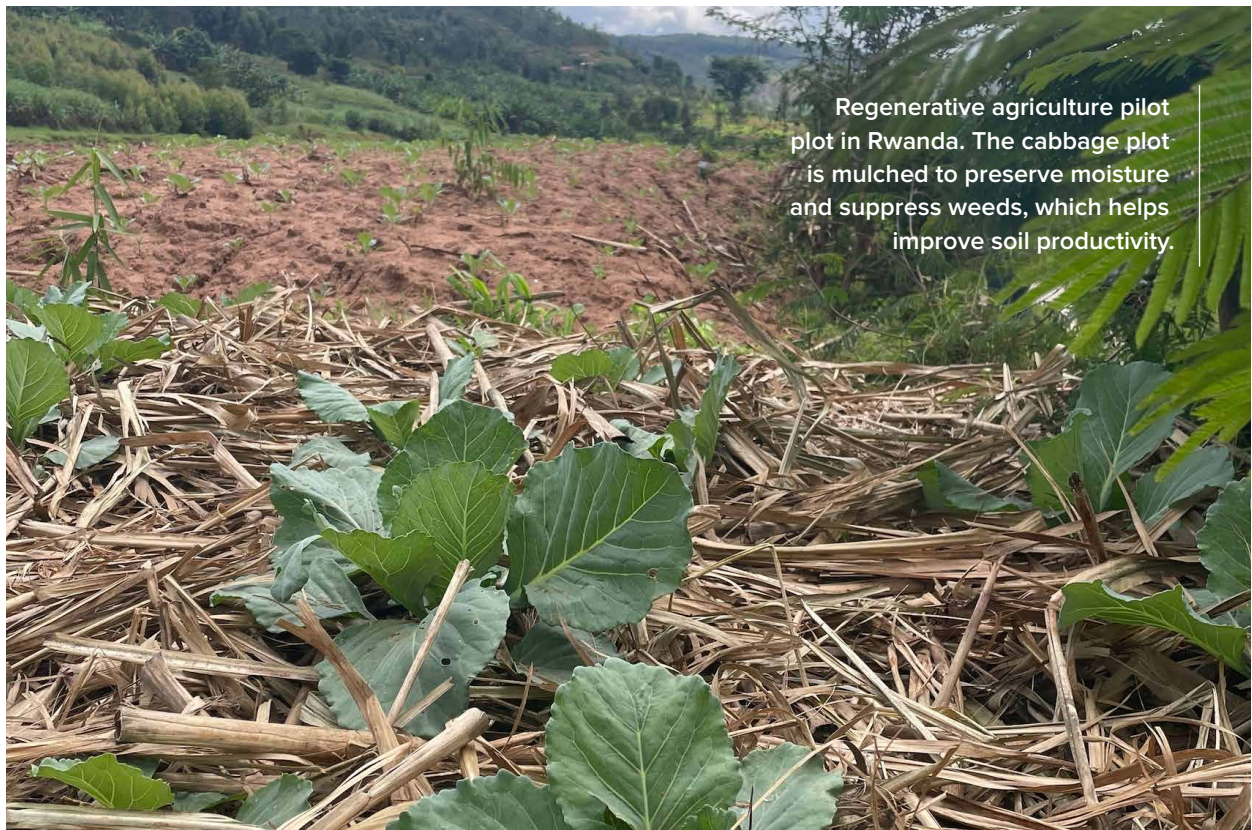
Climate and Resilience Strategy

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Executive Summary

Increasing climate disasters are eroding decades of development progress, with rural communities in low-income countries facing disproportionate impacts. This creates an urgent imperative for Opportunity to respond to clients' rapidly evolving needs and safeguard hard-won gains in poverty reduction and financial inclusion. Opportunity is addressing this crisis head-on by ensuring rural clients can access the support and resources necessary to sustain and grow their enterprises amid mounting threats to their economic stability.

Opportunity International's Agriculture Finance (AgFinance) program works to **strengthen climate resilient development for smallholder farming communities** facing disproportionate climate vulnerability. Through coordinated farmer support services and climate-responsive financial products, AgFinance builds adaptive capacity at farm and community levels, helping reduce current climate risks while addressing the institutional and financial constraints that limit adaptation. By integrating regenerative agriculture practices with financial institution partnerships, AgFinance enables inclusive, multi-sectoral responses that reduce smallholder exposure to climate hazards and support equitable pathways toward sustained resilience in the face of compounding climate impacts.



Within the 2025 fiscal year, AgFinance reached 834,358 households across eight countries working with 27 Financial Service Providers (FSPs) in sub-Saharan Africa. 83% of clients are living within the poverty threshold and 53% within extreme poverty and are among the most vulnerable to climate change. The Climate and Resilience Strategy **integrates into AgFinance's core structure**, strengthening current activities and processes to enhance client adaptation and improve overall resilience.

The guiding principle for the AgFinance Climate and Resilience Strategy is a **client-centric approach** that responds, first and foremost, to the needs of smallholder households facing ever-increasing and severe climate shocks. Deep engagement with local

actors including government officials, financial institutions, and community stakeholders is essential to achieving locally relevant, sustainable outcomes that build climate resilience and outlive project timelines.

The first version of this strategy was guided by the findings from Opportunity's research project in Rwanda in 2022² and by scientific recommendations from the Intergovernmental Panel on Climate Change (IPCC). AgFinance's successes and learnings from climate resilience work since 2022 have demonstrated both the transformative potential of our farmer support and financial product innovation programming and the urgent need for a coordinated scale-up across the network.

***Key program stakeholders** of AgFinance's Climate and Resilience Strategy include:*



CLIENTS

Smallholder households are working toward income improvements and reduced labor / risk



PROGRAM LEADERSHIP

Need strategic insights on rollout success and cost-effectiveness



PROJECT TEAMS

Need streamlined tools, management processes, and feedback loops to implement a successful Regen rollout and to maximise client success



FSP PARTNERS

Need improved agriculture portfolio performance and capacity building as their clients are increasingly exposed to weather and market shocks



DONORS

Seek clarity on impact and credible evidence of contribution



THOUGHT LEADERS

Expect methodological rigor and global standards alignment

²**Climate Resilience Through Microfinance** – Insights from Rwanda, Glasgow Caledonian University, University of Rwanda and MicroSave Consulting. <https://researchonline.gcu.ac.uk/en/publications/climate-resilience-through-microfinance-insights-from-rwanda/>

Overarching Guidelines

1 AgFinance's **client-centered approach**.

This Climate and Resilience Strategy builds on AgFinance's long-standing commitment to client-centered design, ensuring that client needs and realities drive locally-tailored climate resilience programming and financial product innovation. Through continuous engagement, including needs assessments, field visits, and human-centered design, AgFinance ensures that solutions reflect farmers' real challenges, from soil degradation to weather variability. The strategy prioritizes co-creation of localized regenerative agriculture practices with farmers and designing financial inclusion programming that supports resilience. Above all, the approach promotes agency and inclusion by intentionally engaging women and youth farmers so that climate resilience solutions are equitable, practical and empowering.

2 A focus on climate **adaptation over mitigation** and on moving farmers from **vulnerability to resilience**. While AgFinance's climate programming often delivers both adaptation and mitigation benefits, our focus remains unwaveringly on adaptation—refusing to place the burden of emission reductions on those who contributed least to the climate crisis yet face its harshest consequences.

For smallholder communities already experiencing unavoidable climate hazards—intensifying droughts, floods, and weather unpredictability—immediate adaptive responses are essential to prevent losses and damage that could push households beyond their ability to recover. By centering adaptation, AgFinance supports clients in transitioning from positions of acute vulnerability toward strengthened resilience, enabling them to better withstand and recover from climate shocks, grow productive enterprises, and secure livelihoods despite escalating climate risks.



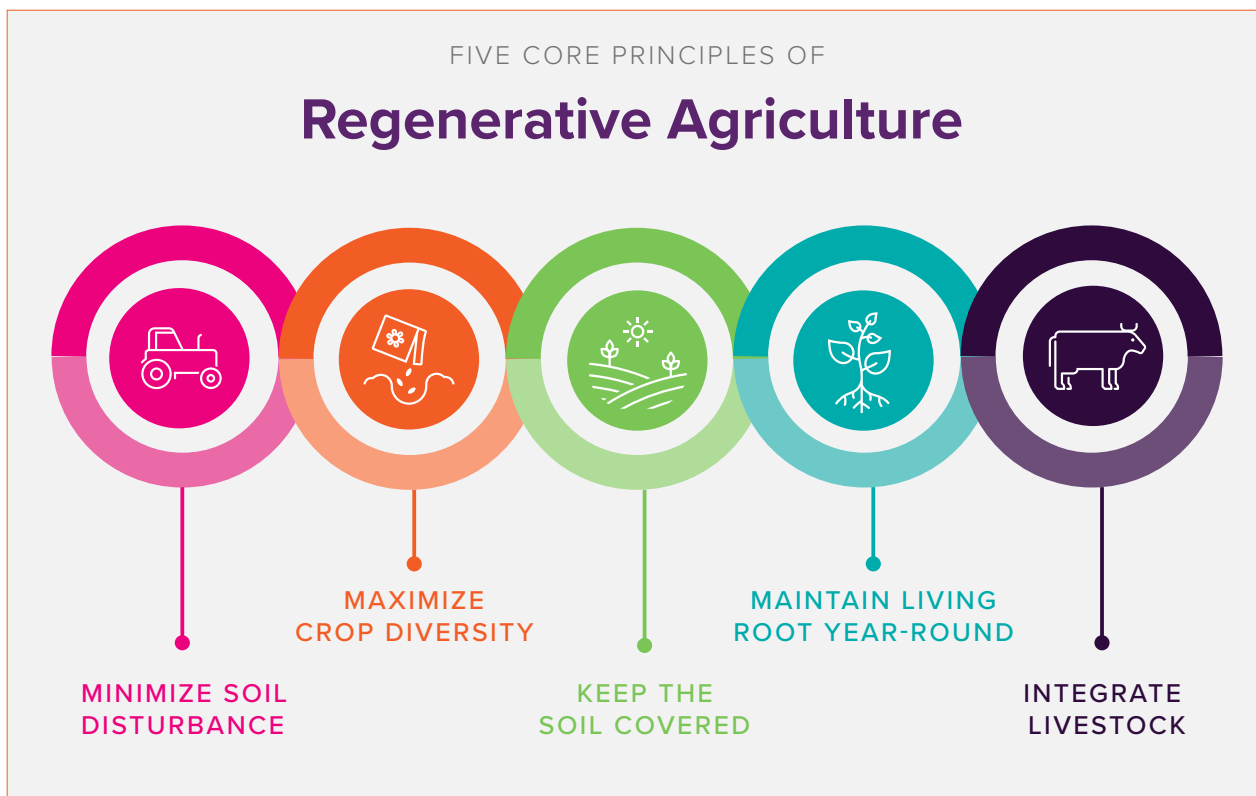
Elina, a farmer in Malawi, breaks apart large pieces of ginger she plans to sell outside her home in rural Blantyre.

3 Leverage AgFinance's core competencies and networks.

AgFinance's climate resilience strategy builds directly on established strengths—deep financial institution partnerships, extensive farmer support agent networks, and proven high-touch, high-tech implementation models that consistently deliver measurable impact. Rather than detracting from current activities, this cross-cutting initiative amplifies existing work by embedding climate resilience across all programming, strengthening both partners' and clients' adaptive capacity in the face of escalating climate risks. The strategy harnesses the substantial potential of AgFinance's operational footprint by deepening engagement with government agricultural services, cultivating local partnerships that ensure contextual relevance, and

mobilizing the organization's unique position within agricultural finance ecosystems to coordinate climate-responsive solutions at scale.

4 Promoting **Regenerative Agriculture** (RegenAg) principles. Regenerative agriculture empowers smallholder farmers to rebuild degraded soils, reduce dependency on chemical inputs, and better withstand climate shocks. It is built on five core principles: minimizing soil disturbance, maximizing crop diversity, keeping the soil cover, maintaining living roots in the soil year-round, and integrating livestock. By restoring soil health and natural ecosystem functions, these practices improve farm-level productivity and resilience while contributing to broader food security, nutrition, and collective climate adaptation.



Priority Actions

The following actions represent AgFinance's strategic priorities for translating climate and resilience commitments into measurable impact. Building on proven approaches and strong partnerships, these initiatives emphasize coordinated implementation, strengthened internal capacity, and deepened collaboration with financial institution partners to ensure that climate-responsive solutions reach scale and deliver lasting benefits for smallholder households and communities.

1 Coordinated Scale-Up of Climate Resilience Programming

Following successful proof-of-concept projects, AgFinance is now positioned to scale climate resilience and regenerative agriculture as core competencies across all country operations. This scale-up requires systematic capacity building for country managers, program officers (POs), and farmer support agents (FSAs), enabling teams to deliver client-centered resilience programming with streamlined implementation processes, robust M&E frameworks, and tailored support tools. This includes improved integration of the farmer AI Chatbot in promoting climate resilience. The scale-up will align with and support the operationalization of the Super-FSA model.

Super FSAs are high-performing FSAs who are promoted into a supervisory role. They work closely with the Project Officer to monitor other FSAs and support them in meeting their targets.

By embedding resilience expertise throughout the organization, AgFinance ensures that climate adaptation becomes integral to every project rather than a standalone initiative.

2 Supporting FSP Partners with Climate Risk and Financing Resilience

Building on the Community of Practice webinar on climate risk and regenerative agriculture in December 2025, AgFinance will continue to support FSP partners' capacity building in the areas of climate risk and client-centered products through tailored engagement with leadership, risk managers, and loan officers. This work will support development of client-centered financial tools aligned with smallholder resilience needs: strengthening VSLAs, financial services tailored to farm needs and crop cycles, appropriate infrastructure loans, livestock lending, and insurance products. AgFinance will continue strengthening internal Financial Products team expertise to leverage FSP partner networks in delivering meaningful climate resilience outcomes for the communities they serve.

3 Operationalize Climate and Resilience Credit Support

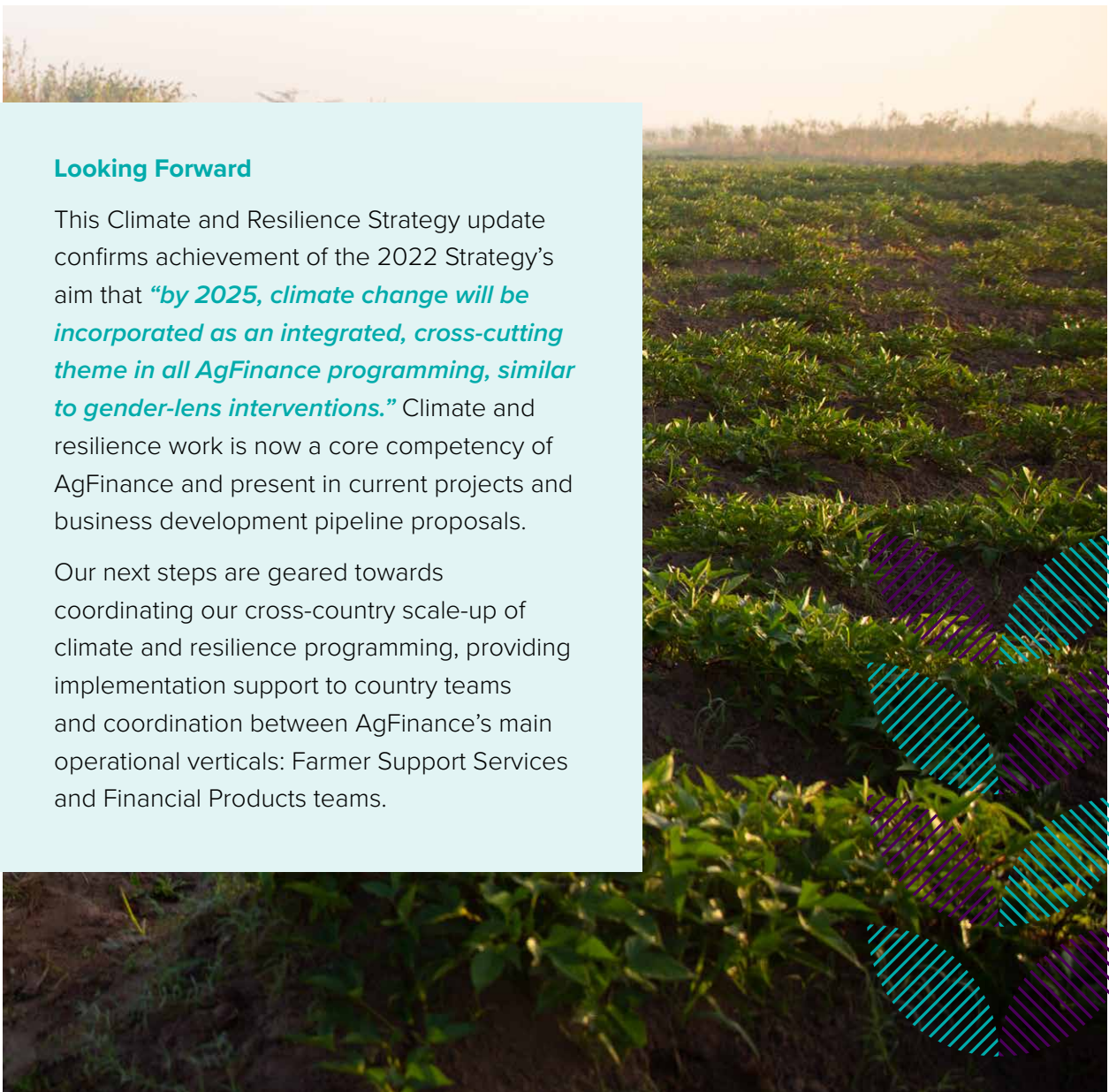
AgFinance has embedded climate-resilient and regenerative agriculture into the core of how the program operates, rather than treating it as a standalone pillar. Climate resilience now informs product design, partner engagement, and capacity building across the portfolio, particularly within the Financial Products team, through mechanisms such as microinsurance, credit guarantees, collateral easements, and targeted subsidies.

This approach reflects a central principle of AgFinance’s work: agricultural lending is no longer viable without climate-resilient financing. As farmers adopt regenerative practices faster than expected and demonstrate improved productivity and stability, these practices are increasingly viewed as risk mitigators for financial institutions. AgFinance therefore focuses on translating on-farm resilience into bankable risk profiles that enable partners to lend with greater confidence, supported by blended and patient capital structures that expand access to long-term climate-aligned finance.

Looking Forward

This Climate and Resilience Strategy update confirms achievement of the 2022 Strategy’s aim that *“by 2025, climate change will be incorporated as an integrated, cross-cutting theme in all AgFinance programming, similar to gender-lens interventions.”* Climate and resilience work is now a core competency of AgFinance and present in current projects and business development pipeline proposals.

Our next steps are geared towards coordinating our cross-country scale-up of climate and resilience programming, providing implementation support to country teams and coordination between AgFinance’s main operational verticals: Farmer Support Services and Financial Products teams.



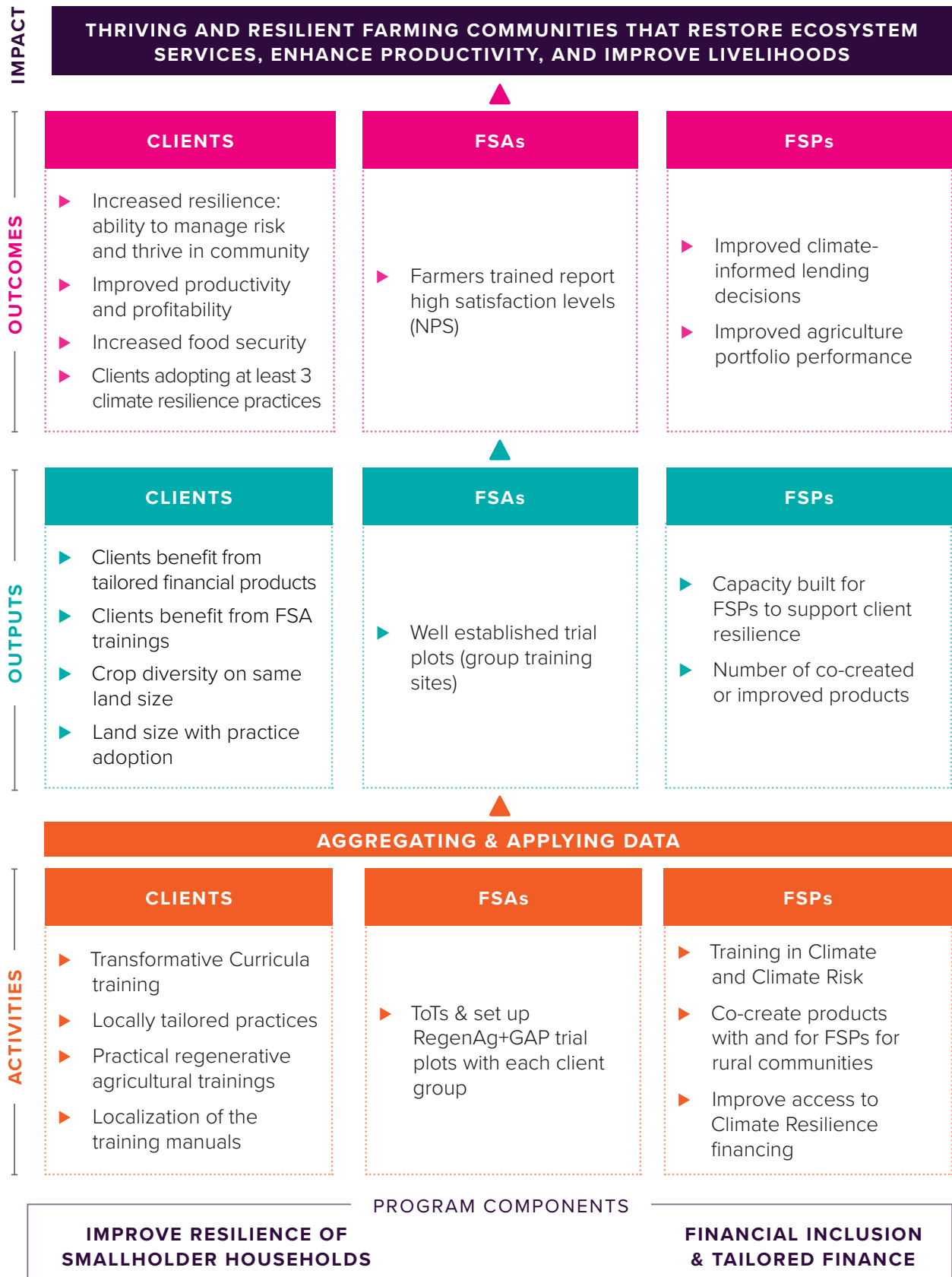
A young man with dark skin and short black hair is smiling broadly at the camera. He is wearing a grey t-shirt with a white graphic that includes the word 'CHAMPION'. He is holding a large, dense bundle of long, green grass or hay. The background shows a rustic brick building with a thatched roof, surrounded by lush green trees and foliage. A wooden fence is visible on the right, and a cow's head is partially seen in the lower right corner. A decorative graphic of overlapping teal and purple geometric shapes is on the right side of the image.

What does success look like?

Smallholder farmers become more resilient to environmental, social, and economic shocks and stresses by leveraging localized farmer support resources and improved access to financial tools from strong, adaptive financial institutions.

AgFinance Climate & Resilience

Theory of Change



Metrics Review

The Climate Resilience Indicator Matrix provides a comprehensive measurement framework that captures how regenerative agriculture practices and climate-resilient financing influence farmer livelihoods, ecosystem health, and financial sector readiness. The matrix blends global

best-practice metrics, particularly the 60 Decibels resilience indicators and The Global Impact Investment Network- IRIS+ climate and agricultural metrics with program-specific measures tailored to smallholder farmers and the capabilities of financial service providers.

Summary of Indicators

LEVEL 1 – OUTPUTS

Service Delivery and Capacity Building

1.1 Farmer Capacity & Participation	1.1.1	Number of group members consistently attending regenerative agriculture trainings
	1.1.2	Land size with practice adoption
1.2 FSP Capacity	1.2	Number of FSP staff trained in climate risk assessment or climate resilience financing
	1.2.2	Number of climate resilience finance / climate risk products developed or improved

LEVEL 2 – SHORT TERM OUTCOMES

Adoption of Practices

2.1 Adoption & Viability of Regenerative Practices	2.1.1	% of farmers employing at least three regenerative agriculture practices
	2.1.2	% of farmers facing challenges with regenerative agriculture adoption
2.2 Change in Productivity and Profitability	2.2.1	2.2.1 % of households who regularly save a portion of their income
	2.2.2	2.2.2 % of households with diversified income sources
	2.2.3	% of households reporting improved food security over the past season

LEVEL 2 – SHORT TERM OUTCOMES

Soil Health

2.3 Early Environmental & Agronomic Changes (Perceived)	2.3.1	% of farmers reporting soil color change
	2.3.2	% of farmers reporting return / increase of earthworms (soil biodiversity proxy)
	2.3.3	2.3.3 % of farmers reporting improved water retention / reduced erosion
	2.3.4	% of farmers reporting planting grasses / shrubs / trees to increase on farm bio-mass production
	2.3.5	% of farmers reporting perceived reduction in pest pressure
	2.3.6	% decrease in synthetic chemical use

LEVEL 3 – INTERMEDIATE CHANGES

Practices, Mindset Shifts and Power Dynamics

3.1 Agency, Gender & Social Change	3.1.1	% of women and youth reporting increased decision-making power in farming and financial decisions
3.2 Climate Resilience & Risk Management	3.2.1	% of farmers reporting increased resilience to weather shocks
	3.2.2	% of FSPs reporting improved climate-informed lending decisions
3.3 Sustained Regenerative Practice Adoption	3.3.1	% of farmers planning to increase use of regenerative practices next season
	3.3.2	% of farmers planning to continue regenerative practices long-term

LEVEL 4 – IMPACT

Resilience, Productivity and Quality of Life

4.1 Farm productivity	4.1.1	% of farmers reporting increased farm earnings
	4.1.2	% of farmers reporting increase in yield
	4.1.3	% of farmers reporting a decrease in farm expenses
	4.1.4	% of farmers reporting decreased or stable labor requirements
	4.1.5	% of households reporting they could easily access emergency funds to manage shocks

Side-by-Side Plots Measures

To complement farmer-reported and perception-based indicators, the strategy incorporates side-by-side demonstration plots as a rigorous, practice-level evidence mechanism. These plots compare regenerative

agriculture practices with conventional farming practices under the same agro-ecological conditions, allowing for direct observation and measurement of agronomic, cost, and environmental outcomes.

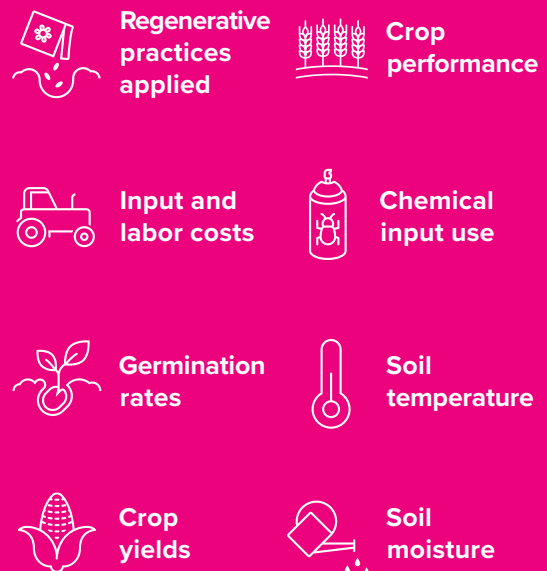
Evidence from Rwanda: Proof of Concept

The side-by-side plot methodology was **successfully piloted and implemented in Rwanda**, where it demonstrated strong feasibility and learning value. In that context:

- ▶ Farmers and farmer support agents were able to **consistently apply comparable practices** across paired plots.
- ▶ The regenerative agriculture technicians (consultants) collected **reliable, seasonal data** without excessive burden.
- ▶ The approach strengthened farmer understanding by making **benefits visible**, particularly for soil moisture, input use and improvements in yield and yield quality.
- ▶ Data from the plots provided **robust triangulation** for perception-based survey findings, in-order to increase confidence among program partners and stakeholders as the end users of the data.

The Rwanda experience demonstrated that side-by-side plots are not only a technical measurement tool – they also serve as a behavior-change tool, making it easy to see the real-world impact of regenerative practices.

COMPARATIVE DATA FROM SIDE-BY-SIDE PLOTS



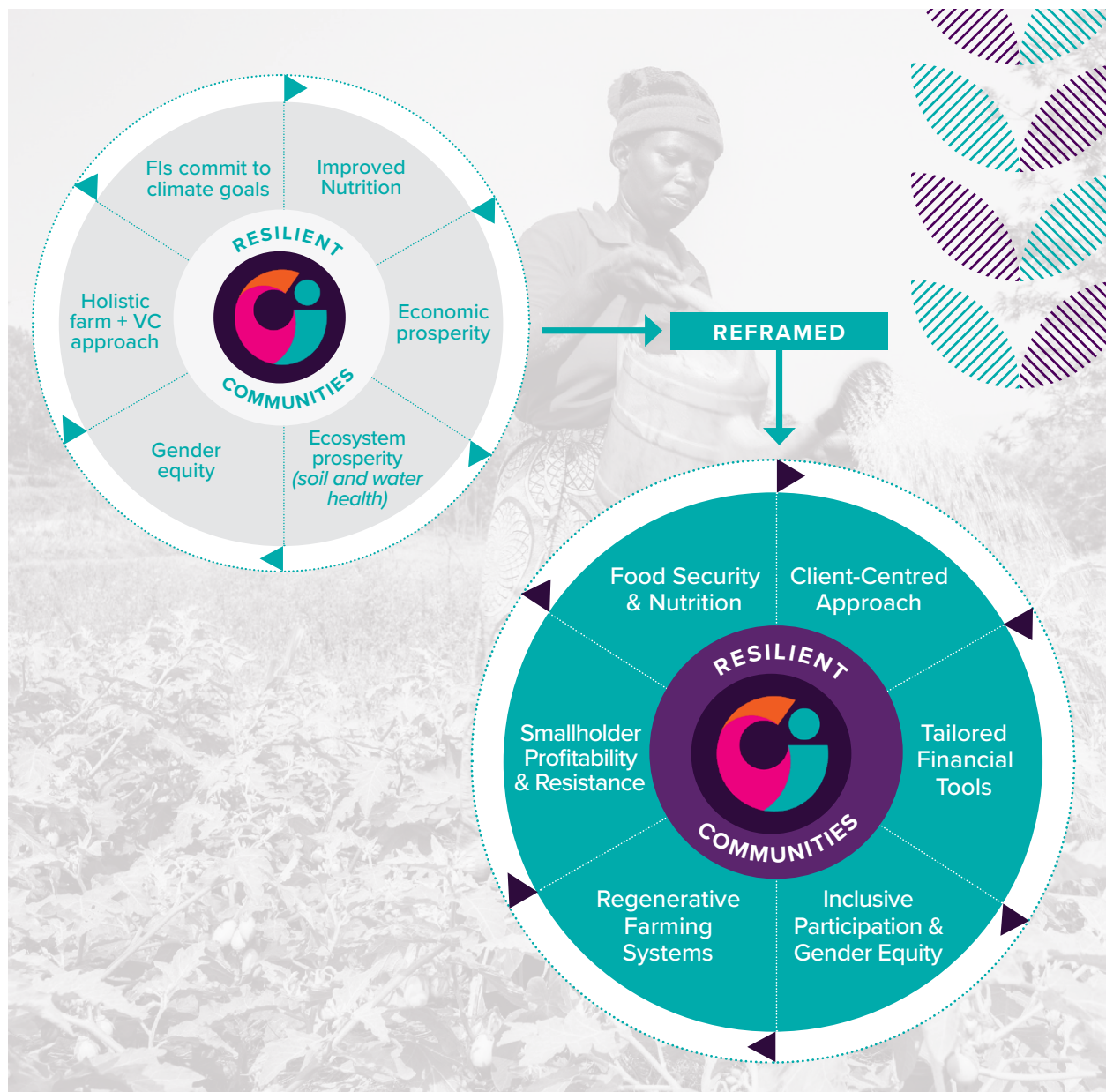
Resilient Communities

At the center of the AgFinance program is an intentional pursuit of resilient communities that can withstand, adapt to and recover from economic and climatic shocks while continuing to improve wellbeing over time. In this strategy, resilience is not treated as a standalone outcome, but as an emergent result of integrated financial, agricultural, and social

systems working together around the needs of smallholder households.

The program therefore positions resilient communities as the convergence point of six mutually reinforcing pillars that have advanced with time as the program piloted, adapted and scaled.

AgFinance's Resilient Communities model has been reframed to better align with AgFinance's core competencies and programmatic contributions:





Helping farmers to **grow
more** and **earn more**.

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