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DOCUMENT II · POLITICAL RISK ASSESSMENT

Colombia 2026–2030

Political, institutional, security and governance risks arising from the 21 June presidential runoff. Companion to the Executive Brief.

FOR

Boards of directors · senior management ·
diplomatic and institutional actors

CUT-OFF DATE

19 June 2026

COMPANION TO

Document I — Executive Brief · Document III
— Electoral Outlook

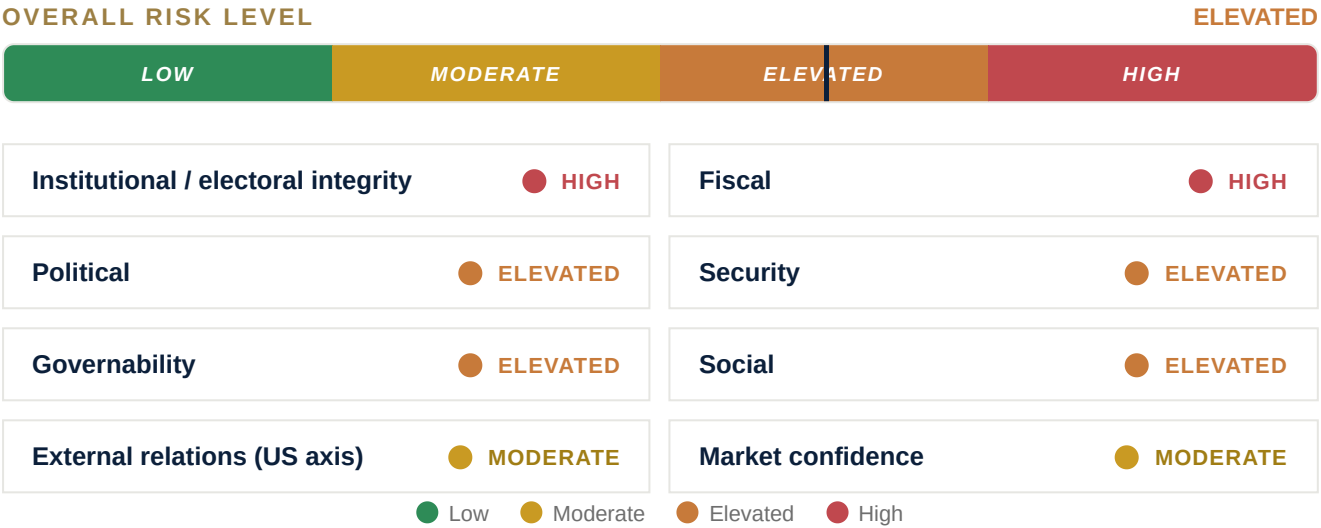
SCOPE

Risk matrix · scenarios · Country Risk Score ·
implications

RISK DASHBOARD

Risk profile at a glance

The risk picture in thirty seconds. Levels are J&H assessments on a four-band scale.



TOP RISKS · SEVERITY 0–100



CENTRAL JUDGEMENT

The dominant risk is the handover, compounded by the fiscal and security inheritance — largely independent of who wins. The structural brake (no own majority, an autonomous central bank) bounds both governments.

01 KEY JUDGEMENT

The risk is in the handover

The runoff favours a change of bloc, but the material risk lies less in who wins than in how the result is contested — and in the fiscal and security inheritance the next government receives.

KEY MESSAGE **A political-institutional risk, compounded by inheritance.** Whoever wins inherits the worst fiscal deterioration in Latin America and an expanding armed-group footprint, and governs without an own majority. With the outgoing president disputing the count, a contested handover is the most underestimated scenario. *J&H assessment, grounded in the sourced evidence developed below.*

THE FIVE BINDING CONSTRAINTS

01 · INSTITUTIONAL

Contested integrity

Presidential fraud allegations against electoral-authority guarantees.

02 · FISCAL

No room for manoeuvre

Deficit ≈6.5–7% of GDP; a tax reform is unavoidable.

03 · SECURITY

Expanding footprint

Armed-group membership +23.5% in a year; Catatumbo displacement.

04 · GOVERNABILITY

Fragmented Congress

No bloc near a majority; reform needs coalition-building.

KEY TAKEAWAY

This assessment separates verifiable facts (vote shares, Congress, fiscal and security data) from J&H judgements (probability bands, risk scores), labelled throughout. The posture it supports: hedge by scenario until proclamation.

02 POLITICAL ENVIRONMENT

A two-bloc, high-polarisation contest

The 2026 succession is an open race — Petro cannot seek re-election — crystallised into a binary between continuity of the governing project (Cepeda) and a rupture from it (De la Espriella). The first round returned De la Espriella first (43.74%) over Cepeda (40.90%).

The right consolidated rapidly behind De la Espriella (**Uribe, Centro Democrático, Valencia, Cambio Radical**); the centre is the contested terrain (**Fajardo, López** lean Cepeda with weaker discipline; **Barreras** and **Samper** endorsed him). The defining feature is polarisation intensity, sharpened by the outgoing president's challenge to the count.

Factor of moderation

The binary mobilises both bases, but Colombia's institutional density brakes abrupt shifts whichever bloc prevails.

Dominant risk

An outgoing executive contesting legitimacy of origin, where the losing side's recognition is not assured.

SIGNAL TO WATCH

The centre-vote transfer and the recognition of the result — not the topline lead. The environment is primed for a disputed handover even where the electoral margin is clear.

03 INSTITUTIONAL STABILITY

A fragmented Congress, contested integrity

No bloc commands a majority, and the process operates under an open challenge to its integrity from the sitting president.

CONGRESS 2026–2030 · SENATE (8 MARCH 2026)

Force	Senate	Reading
Pacto Histórico (governing)	25	Largest minority (up from ~20); far from a majority (52)
Centro Democrático	17	Strengthened opposition (up from 13)
Liberal · Conservador · La U · Cambio Radical · others	balance	Pivotal, transactional blocs

Across both chambers: Pacto Histórico ≈62, Centro Democrático ≈45 (majority threshold 52). Source: Registraduría; CNN; El Tiempo, 8–11 March 2026.

Governability constraint

De la Espriella would govern via a right alliance; Cepeda holds the largest bloc but faces an opposition-leaning majority. Either way, reform requires coalition-building.

Integrity contest

Petro rejects the count and alleges manipulation; the Registraduría, CNE and control bodies deny it and launched a "Paz Electoral" framework. ANDI has called for international observation.

WHAT CHANGES THE PICTURE

A clear margin neutralises the integrity dispute; a narrow one activates it. The institutional risk is conditional on closeness and the losing side's posture — not fixed to either candidate.

04 SECURITY ENVIRONMENT

An expanding armed-group footprint

The next president inherits a deteriorating security map and an unresolved verdict on "paz total" — a structural risk to operations, territory and the state's monopoly on force.

Indicator	Value	Reading
Armed-group membership	>27,000	+23.5% in a year (FIP); +45% vs. 2022
Largest structures	Clan del Golfo · ELN	≈8,900 and ≈6,500–7,000; plus EMC and EMBF dissidents
Catatumbo displacement	≈92,000	Forced displacement +85% nationally
Kidnapping (2025)	+133%	Increasingly urban and extortive
Coca cultivation	≈330,000 ha	The core financing base for illegal economies

Sources: FIP (Jan–Feb 2026); military intelligence (ACCAM); El Espectador; Semana.

The policy fault line

De la Espriella: end "paz total," submission law, eradication, high-security prisons. Cepeda: "human security" and continuity. The largest policy divergence of the cycle.

Operational exposure

Conflict concentrates in Cauca, Nariño, Catatumbo, Bajo Cauca, Chocó and the Venezuela border. Armed governance restricts access whoever governs.

STRATEGIC IMPLICATION

Security is structural and outlives the election. Stress-test exposure to both a hardline-enforcement and a continuity scenario; neither resolves the footprint within the cycle.

05 ECONOMIC & REGULATORY OUTLOOK

A binding fiscal inheritance

The decisive economic variable is not the programmes but the fiscal constraint both inherit: limited room for manoeuvre and an unavoidable tax reform.

Indicator	Value	Reading
Fiscal deficit (2025)	≈6.4% GDP	Worst fiscal deterioration in Latin America (Cepal)
Deficit projection (2026)	6.5–7% GDP	Bancolombia / Carf, above the 5.1% target
Public debt (2026)	≈63% GDP	Net debt rising; TES yields near 14%
Fiscal rule	escape clause	Active 2025–27; ≈3–4 pts of GDP adjustment by 2028
Inherited deficit	≈COP 106 tn	≈5.3% of GDP; a new tax reform unavoidable

Sources: Ministerio de Hacienda (MFMP 2026); Carf; Bancolombia; Corficolombiana; Cepal; Cambio, Mar–Jun 2026.

Divergent responses

De la Esparilla: hydrocarbon-led reactivation (Ecopetrol toward 1.3 M b/d, fracking). Cepeda: continuity plus redistributive taxation. Both face the same wall.

Regulatory predictability

Energy is the principal swing variable. The autonomous Banco de la República anchors monetary credibility under either government.

CRITICAL ASSUMPTION

The fiscal constraint determines room for manoeuvre more than ideology. Markets will read the cabinet and the first tax-reform signal over campaign rhetoric.

06 SOCIAL TENSIONS

Polarisation as the transmission channel

Social risk in 2026 is less a discrete protest cycle than the **polarisation that converts an electoral result into street dynamics**. The continuity-vs-rupture frame, amplified by a contested count and external endorsements, primes both bases for mobilisation around the proclamation.

The backdrop heightens this: forced displacement up 85%, urban extortion and kidnapping rising, and deep regional cleavages — Bogotá and the Pacific to Cepeda, the Caribbean and Antioquia to De la Esperiella. A narrow or rejected result is the most plausible trigger for acute mobilisation.

Critical variable

Result-night posture of the losing side. Recognition de-escalates; rejection channels polarisation into the street and the commissions.

Structural element

Regional cleavage and armed governance make mobilisation risk geographically uneven, concentrated where state presence is weakest.

DECISION POINT

Plan for a contested window in which volatility is social before institutional. The de-escalation lever is recognition by both campaigns — the single most consequential variable for stability after 21 June.

07 INTERNATIONAL RELATIONS

The United States axis is decisive

The result recalibrates the most consequential external relationship. The US–Colombia axis is the dominant geopolitical variable; Venezuela is the structural backdrop.

Relations reached their most critical point in decades over 2025–26: Washington **decertified** Colombia on counter-narcotics (Sept 2025), halted aid (>US\$740 M in 2023), and placed Petro and officials on the OFAC list; Trump threatened tariffs of up to **50%**. The **US capture of Maduro** (3 Jan 2026) reset the regional map; a 3 February White House meeting produced a partial thaw. Into the runoff, **Trump publicly endorsed De la Espriella**, as did Milei.

De la Espriella scenario

Realignment toward Washington; likely easing of friction and a harder counter-narcotics posture. Trade-certainty upside; Venezuela-alignment exposure.

Cepeda scenario

Continuity of an independent, friction-prone posture; multilateral emphasis. Higher bilateral-tension risk.

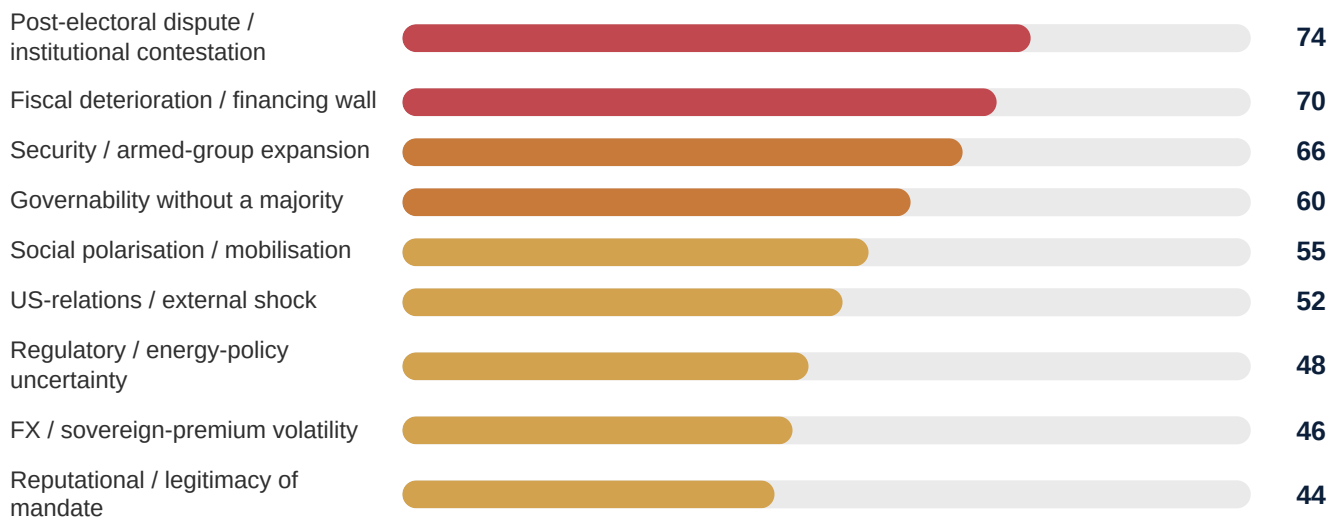
IMPLICATIONS FOR DECISION-MAKERS

The result is a switch on the US relationship — certification, tariffs and security cooperation hinge on it. Keep Washington and Bogotá–Madrid–Brussels channels adaptable to either outcome.

08 MAIN RISKS

Risk ranking · severity 0–100

The principal risks for external interests, by severity. Scores are J&H judgements (100 = maximum), not source data.

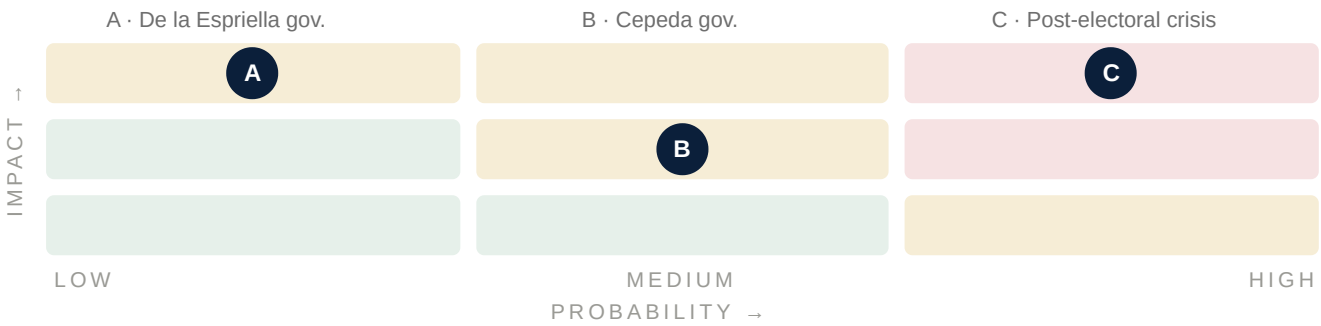
**MAIN INSIGHT**

The top of the ranking is not the policy of either candidate but the handling of the result and the fiscal inheritance — risks largely independent of who wins.

09 RISK MATRIX

Probability × impact, and the heat map

The matrix places the scenarios by likelihood and impact; the heat map reads the risk by dimension across each scenario.



Risk heat map by scenario

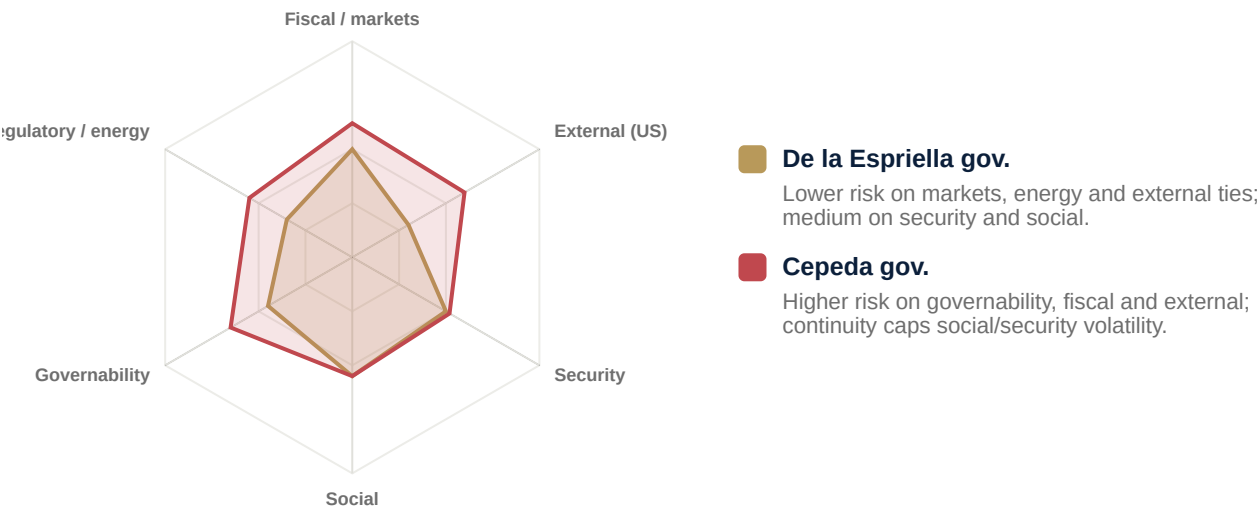
Risk dimension	De la Espriella	Cepeda	Contested
Governability	MED	HIGH	HIGH
Institutional integrity	MED	MED	HIGH
Fiscal / markets	MED	HIGH	HIGH
Security	MED	MED	HIGH
Regulatory / energy	LOW	MED	MED
US / external relations	LOW	MED	MED
Social mobilisation	MED	MED	HIGH

● Low ● Medium ● High · J&H estimate

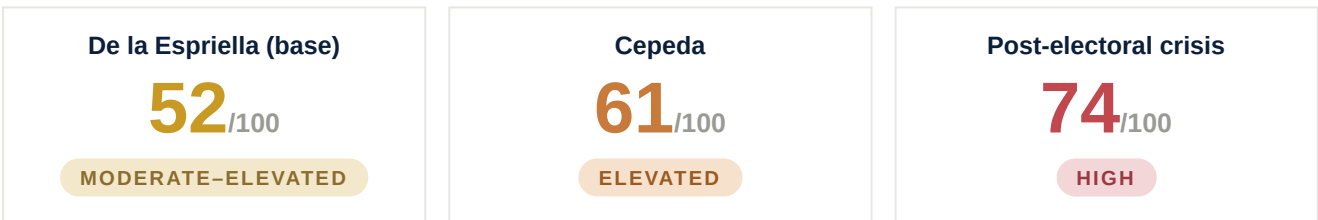
10 SCENARIO ANALYSIS

Two governments, compared by risk

The risk profile of each government across six dimensions (further from centre = higher risk).
J&H estimate.



Country Risk Score by scenario

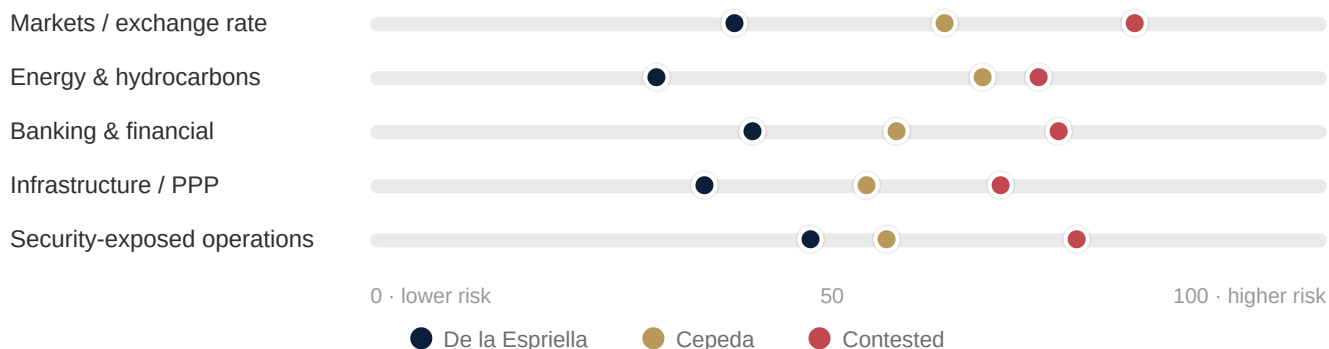


0–100 index (100 = maximum risk): governability 25%, social 20%, regulatory 15%, markets 15%, legal certainty 15%, reputational 10%. J&H estimate.

11 IMPLICATIONS

Sector sensitivity & lines of action

How sectors react across scenarios (0 = lower risk, 100 = higher risk), and the actions that hold regardless of outcome. J&H estimate.



01

Hedge by scenario

Differentiated, reversible protocols activated on proclamation.

02

Stress-test fiscal exposure

Model a tax-reform shock and an FX/sovereign-premium widening.

03

Audit energy & security exposure

The widest scenario spread; plan for a hydrocarbons pivot and continuity.

04

Keep channels adaptable

Washington and Bogotá–Madrid–Brussels bridges, calibrated to the government.

EXECUTIVE CONCLUSION

Hedge by scenario, not by a winner. The polling favours De la Espriella; the material risk lies in the institutional handling of the result and the fiscal inheritance. Campaign mechanics follow in Document III.



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jaicoherrero.com · info@jaicoherrero.com

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