












CONCESSIONAL LOANS AND FISCAL INCENTIVES TO PROMOTE CERTIFIED GREEN BUILDINGS

COLOMBIA

Objective 	Promote uptake of certified green buildings in residential and commercial sectors	Target group 	Developers (construction finance) House owners (mortgages)
Building type 	Residential and commercial	Duration 	2016 - ongoing
Partners 	Government incentive: National Government of Colombia Banking incentive: Bancolombia and Davivienda Support from: Colombian Chamber of Construction (CAMACOL), International Finance Cooperation (IFC)	Volume 	\$400 million deployed by Bancolombia in initial investment program. Additional financing mobilized by government incentives and second implementer Davivienda.
<p>Bancolombia launched the green real estate program targeting developers and mortgages in 2016. The programme was financed through Colombia's first green bond, a growing capital markets instrument for climate action. Davivienda bank followed with similar action.</p>			
<p>The programme offers <u>reduced interest rates for loans and green mortgages</u>. Both banks provide technical assistance to developers.</p>			
<ul style="list-style-type: none"> • Bancolombia Incentive: Financing rate for developers of up to 1% less than conventional rates for green construction and up to 65 basis points (0.65%) less for green mortgages. • Davivienda Incentive: Reduction of a maximum of 100 basis points (1%) for mortgages for residential and mixed-use buildings, in addition to covering 50% of the cost of EDGE certification (up to 15 million pesos COP). 			
<p>Government is providing <u>tax incentives</u> through the National Mining and Energy Planning Unit (Ministry of Mines and Energy), in form of exemption of VAT (19%) and income tax deduction (25%) for project design services and technical solutions such as insulation and energy-efficient air conditioning systems .</p>			
<p>IFC and CAMACOL provide technical assistance and market education.</p>			
Leverage of private funds 	Colombia had 2.5 million m ² floor space certified with EDGE by August 2020. In the residential space, while there was just one certified homes project in 2017, there are now 1.4 million m ² of certified residential space in 2020, in 23,500 units.		
CO₂ emissions reductions 	35,000 tons of CO ₂ per year avoided	socio-economic benefits 	Almost 100,000 people are now living in green certified properties.
Certification system 	CASA, EDGE, LEED		
Contact person in programme or country	info@upme.gov.co	Example submitted by	Rusmir Musić, IFC EDGE
Website 	Government incentive: https://edgebuildings.com/market-players/governments/ and http://www1.upme.gov.co/Normatividad/463-2018.pdf Banking incentives and contact information https://edgebuildings.com/market-players/banks/		