



IATI Report on UK-PACT Project

Scaling up Green Finance and establishing building blocks for scalable and low carbon investment in Colombia

A project delivered by:

Climate Bonds Initiative July 2019 to December 2020

With funding provided by BEIS (UK Government Business, Enterprise & Industrial Strategy Dept.)

Project closing

The project has driven forward recommendations from the Colombian green bond roadmap to put in place an institutional capability framework that will enable long-term investment into priority sectors and help Colombia to implement its green growth agenda at a national and local level.

CBI's means to achieve this were by:

- 1. A strong knowledge base of key institutional players in the market,**
- 2. Aligning Colombia's green finance market with international best practices and standards for green financial instruments,**
- 3. Enabling a healthy green pipeline of assets and projects in key sectors.**

While Colombia has made commitments to reducing emissions under the Paris Agreement, emissions continue to rise due to rapid deforestation, increasing population and a high proportion of energy from fossil fuels.

Under the Paris Agreement, Colombia has committed to reducing GHG emissions by 20%. In order to meet these commitments and be a leader on climate change within the region, Colombia urgently needs to transition from fossil fuels to a greener economic model. A range of innovative financial instruments will be crucial to financing a pipeline of bankable green projects and to attracting foreign and domestic institutional capital. A strong green finance market that complies with local and international standards is a key enabler to this.

The project will enhance local capability to develop financial schemes to support green projects at the national, city and private-sector level. The project will implement the recommendations provided in the Colombia roadmap to facilitate better understanding and identification of a green pipeline of assets and develop financial instruments to unlock capital



flows. With a new government in place, there is also an opportunity to catalyse sustainable areas of economic growth attracting. The project team would work closely with the Colombian Climate Finance Committee - SISCLIMA and its constituent private and public sector members, Stock Exchange, Credit Rating companies and Cities that have the potential to issue green bonds.

The scheduled project outputs were:

Output 1: A strong knowledge base of key institutional players in the market

- Two workshops/seminars, one for government and one for stakeholders to cover topics across the basics of green bonds, issuing and certification, standards and alignment to global practices and investment dynamics.
- Two training sessions ('Boot Camps') to ensure knowledge transfer and enduring capacity building beyond the life of the project. Boot Camp 1 will be for verifiers and project developers while Boot Camp 2 will be for issuers

Output 2: Alignment of Colombia green finance market with international best practices and standards for green financial instruments.

- Sector-specific gap analysis to assess and benchmark local green definitions and criteria with international ones. The gap analysis will underpin all other work in Output 2.
- Green guidelines outlining local definitions for what qualifies as 'green' and detailed sector-specific criteria for priority sectors (specifically transport). These will be aligned with global standards and best practices
- Communications strategy to disseminate and promote uptake of criteria locally including 2 to 4 communication documents covering specific thematic and sector areas with a focus on Transport, Energy dissemination, Forestry and Agriculture

Output 3: Enable a healthy green pipeline of assets and projects in key sectors

- An engagement process with potential issuers and asset owners that can drive pipeline generation
- Technical assistance and individual issuer guidance to support local market actors to: a) identify eligible projects, b) to advise on issuance logistics/economics and c) to provide assurance support
- Individual issuer guidance for up to 2 potential issuers in priority sector to provide guidance and support on issuance logistics/economics.

Output 4: Innovative financial models and de-risking mechanisms to unlock of capital flows

- Green Fund concept note to promote the creation of a Green Debt Fund for the local market that is aligned with global markets



- Warehousing concept note to explore green debt financing mechanisms for cities and municipal financial authorities – it will specifically cover land value capture and warehousing as tools to facilitate access to capital for small and medium sized projects.
- Recommendations paper on Green Fund and warehousing to set the framework for the potential future implementation of a Green Fund and warehousing tools.
- Promote potential green bond incentives by working with local stakeholders including Regulators to identify and promote potential incentives and catalysts for green finance among potential issuers, regulators and other relevant market actors.

Output 5: knowledge-sharing

- Paper and case studies from the region to highlight case studies and lessons learned from Pacific Alliance member countries and the potential of MILA-UK partnership for green bond issuance. Report and publications to showcase and create visibility on investible opportunities in Colombia including a country briefing paper. The reports will be promoted locally at appropriate seminars and webinars/events.
- International knowledge-sharing with Colombia by green finance experts in Europe to contribute to local knowledge and deepen local capability



ACTIVITIES

Activities linked to Output 1

A strong knowledge base of key institutional players in the market

1.1 Delivery of two workshops (one for stakeholders and one the government) to cover topics across the basics of green bonds, issuing and certification, standards and alignment to global practices and investment dynamics

Workshop 1 on Green Bonds

The first workshop on Green Bonds was delivered on October 23rd, 2019 in Bogota. A total of 50 people attended (26 female). Investors, issuers and stakeholders across 26 institutions attended. The workshop covered the following topics: how climate change is affecting the world, sustainability context, how ESG risks become financial risks, and iv) how the financial market can be a solution.

Workshop 2 on Green Bonds

The second workshop on Green Bonds took place on February 14th, 2020 in Medellin and covered the same topics with the addition of issuance and certification of green bonds and the opportunities in the financial sector. A total of 48 people participated (26 female). Attendees belonged to the following organisations: AAGES Development Colombia SAS, Akuo Energy Colombia, Alcaldía de Medellín, Azimut Energía S.A.S, Bancolombia, Celsia S.A E.S.P, Cementos Argos S.A., Compania De Empaques S.A., Constucciones el Condor, Contribute, Deloitte & Touche, EPM, Fabricato S.A., Grupo Argos, Grupo Nutresa SA, HVM, Independiente, Metro de Medellin, Mineros SA, Municipio de Medellin, Pactia SAS, Portafolio Verde, PRI, Proteccion, Rentng Colombia, Semilla Cap, Sura AM, SURAMERICANA SA, TUYA, Ultraserfinco, Unal.

In addition to these two workshops, two additional training sessions were delivered on October 21st, 2019 and February 28th, 2020 to internal BVC staff (mainly salespeople).

The two workshops were delivered successfully as expected. The topics expected to cover were similar, with some differences in the organization of information and order but the essential themes were covered and delivered.

1.2 Two training sessions ('Boot Camps') to ensure knowledge transfer and enduring capacity building beyond the life of the project. Boot Camp 1 will be for verifiers and project developers while Boot Camp 2 will be for issuers

Green Bond Boot Camp 1

The first Boot Camp took place on February 14th, 2020 in Medellin. The bootcamp had a total of 31 male and 25 female participants. The topics covered were green bonds basics and market overview, green bond labelling and certification, taxonomy, definitions and criteria, and how to issue a green bond in Colombia. Attendees belonged to the following institutions: ODINSA, ABO Wind Renovables Colombia



S.A.S., Akuo Energy Colombia, Almacenes Exito S.A., Arquitectura y Concreto, BANCOLOMBIA, BTG Pactual, Camara de Comercio de Medellin, Celsia, Cementos Argos, Compania DE Empaues, Cueros Velez, Deloitte & Touche, Empresas Publicas de Medellin- EPM, Fabricato, FINAGRO, Grupo Nutresa S.A., Grupo Renovatio, Hybrytec Power, Independiente- Consultor, ISA, Isagen SA, Metro de Medellin, Offcors, Pactia, Productores Faminia S.A., Proteccion, Seguros Sura Colombia, Semilla Cap, Sura Investment Management, SURAMERICANA S.A.

Green Bond Boot Camp 2

Delivered on February 17th, 2020 in Bogotá, this bootcamp had a total of 45 male and 50 female participants. The topics covered were the same than the ones in the first Boot Camp. Attendees belonged to the following institutions: Acueducto de Bogotá, AES Colombia, Agencia Nacional de Ingeniería, Alpina S.A., Arrocería la Esmeralda, Asobancaria, Asobolsa - Asociación de Comisionistas de Bolsa de Colombia, Asofondos, Banca Corficolombiana, Banco Agrario, Banco de Bogotá, Banco de Occidente, Banco Finandina, Banco Pichincha, Banco Popular, Carbones Andinos Caso sostenible, Constructora Jaramillo Mora, Corficolombiana, CORPORACION CIINAS, CORREDORES DAVIVIENDA, DIESTRO, DNP, Ecopetrol, EDF Renouvelables, Emgesa S.A. E.S.P., Enel Green Power Colombia S.A.S. E.S.P., Enerfín., ETB, Financiera de Desarrollo Nacional FDNGEB, Gobernación de Cundinamarca, Grupo Aval, Grupo Energía de Bogotá, IFC, Inverlink, Itaú, ITAU COMISIONISTA DE BOLSA, ITAU CORPBANCA COLOMBIA, Keralty, KMPG, Manuelita, NEOEN, Optima Consultores, Óptima Consultores, Organización Terpel S.A., PEI, Política, Promigas S.A. E.S.P., Rayo Energía, Refeel, Scotiabank Colpatria, Semana, SFC, Siembra Más (Alcaldía de Barranquilla), Solar Pack, Terracol, Titularizadora Colombiana S.A., Transmilenio, ULTRASERFINCO, Valores Bancolombia.

There was a 50% overdemand for both Boot Camps. The Boot Camps were designed for a maximum of 30 people each but due to demand, there were in total 151 participants. The Boot Camps successfully achieved knowledge transfer expectations - participants continued to express their gratitude in learning about the opportunities of green bonds and investing in greening the financial system. They continued to show interest in gaining more information about green bonds, in issuing green bonds or in becoming an approved verifier.

The workshops and Boot Camps enabled participants to gain skills and knowledge regarding the green bond market: basic concepts and global developments to date; market dynamics: pricing and the role of the investor, structuring banks, verifiers and issuers; internationally approved standards and definition frameworks for green bonds; CBI taxonomy and its methodology; global green bond labelling schemes, including CBI Certification; and how to issue a green bond.

When planning the Workshop, CBI was aware of Colombian market saturation with activities related to Green Finance and therefore, with the number of actual participants. However, there was an overdemand of 2 times the total space available so many people were left on the waiting list which comes to show the impact of the events.

The training was very well received, people were happy with the content as there were new topics. The Boot Camps also had the fortune to have Sean Kidney, CBI's CEO very well-known for his charismatic way to present and that also encourage attendees to explore further options within their organizations to issue Green Bonds. Also create awareness from the Risk Management perspective not only for the financial system but also the companies' long-term business strategies.



Activities linked to Output 2:

Alignment of Colombia green finance market with international best practices and standards for green financial instruments.

2.1 Sector-specific gap analysis to assess and benchmark local green definitions and criteria with international ones. The gap analysis will underpin all other work in Output 2.

A sector-specific GAP analysis to assess and benchmark local green definitions and criteria with international ones has been finalised and is undergoing the first round of comments.

The objective of the analysis has been to shed light on the sectors that Colombia should prioritize on green definitions due to their economic importance and total emissions-share, as well as on the investments needed to address climate change and other environmental challenges that impact the economy.

Key results from this analysis show that Colombia needs a national taxonomy to advance the greening of the most important economic sectors. Regulators and financial institutions will be the primary users of this taxonomy, since it will help them evaluate the risk against climate change and to develop innovation of the capital location.

To accomplish national reduction targets of GHG emissions, 47 sectoral measures were prioritized. The reduction measures identified to have the greatest contribution in overall reduction were:

- Emissions reduction for deforestation in 39%
- Sustainable livestock
- Energy generation through diversification of the Colombian energy matrix
- Strategic reduction of emissions

The following considerations were identified for the development of a Colombian green taxonomy:

- Considering the country's potential in solar, geothermal, biomass and wind generation, alternative energies should be classified properly in the taxonomy.
- Transport is the main energy consumer in Colombia.
- The building sector already has criteria that can be used as a starting point.
- Land use should be prioritized because of its GHG emissions.

Priority projects and programmes for climate change mitigation and adaptation could be identified by analysing public investments in climate change. Even if the national, departmental and municipal budgets have not an explicit classification for climate projects and programmes, some exercises have been carried out in order to classify and quantify public investments in these types of actions.

The final Gap Analysis report was delivered in April 2020 and provided a view of the Colombian green financial market and the requirements for greening the most emission emitter sectors in the country. The document mapped the stakeholders necessary to be involved in the creation of a Colombian national



Taxonomy. Regulators and financial institutions will be the primary participants in providing a clear path for its development. Sector institutions and experts will provide knowledge in creating criteria and thresholds. It has become a necessity to evaluate risks against climate change and develop innovation solutions for allocating capital into climate change investments. This report identified gaps between international definitions and the alignment of available green criteria in Colombia. The results show that there is a lot of capacity building work required to align definitions and reduce the gap. Due to the complexities involved, a pragmatic recommendation is to start with sectors that already have relatively “straightforward” criteria and thresholds. These have been already been set under different taxonomies, and thus facilitate both discussion and implementation.

2.2 Green guidelines outlining local definitions for what qualifies as ‘green’ and detailed sector-specific criteria for priority sectors (specifically transport). These will be aligned with global standards and best practices

Working towards a Colombian Taxonomy will provide clarity and transparency to investors, financial institutions, companies and issuers on key investments across economic activities. It will ensure that the investments are climate-aligned and environmentally sustainable, thereby enabling informed decision-making in order to foster investments in environmentally sustainable activities. The Taxonomy will also cover activities in polluting economic sectors and help in the transition to greener pathways. This activity is still in progress.

The Taxonomy process has been developed with an extraordinary level of cooperation with the IFC and relevant governmental agencies, especially the SFC who has been leading the process.

Meetings have been held with the government institutions SFC, Ministry of Hacienda, DNP and DANE. DNP has presented the gap analysis between their internal classification and existing taxonomies. During initial meetings, IFC and CBI presented on the work done so far on evaluating different taxonomies and the process of developing a Screening criteria thresholds and impact indicators. DANE presented their classification and macro framework that defines the interactions between the economy and the environment. The methodology on how the priority sectors were selected (Energy, Construction, Transport, Land Use).

After the meetings with the government agencies, CBI has been working with IFC and SFC on a draft document for the development of the screening criteria and we will start with sectors that can be described as priorities, to support SFC pilot exercise of identified sectors.

CBI has worked with the IFC to identify, within the main sector, the fast tracks or “easy wins” to possibly be the first set of taxonomy activities in Colombia and delivered in the first draft. However, it has been agreed with the IFC that for adaptation, we should review the national adaptation plans and then cross-check with the international taxonomies. This would give more weightage to DNP (National Planning Department). Additionally, meetings have been held with the government institutions. SFC has explained the methodology on how the priority sectors and Fast Tracks were selected.

For the AFOLU sector (Agriculture, Forestry and Land Use), E3 and World Bank agreed to work on a document describing the methodology and guiding principles for choosing the activities in AFOLU, a Conceptual Framework and a proposal to approach the work on these two subsectors. CBI reviewed the



initial analysis and classification of AFOLU activities recommended by E3. This document has been developed completely and the team in the process of sharing it with the IFC and SFC team to consider it as fundamental for the sector criteria.

The Taxonomy development team has started the technical discussions with Colombian Experts. Timelines and information package for the experts have been discussed and prepared. SFC has reviewed the documents with the Supervisory Committee and sent it along with the invitation letters to the technical experts and the Chairs for each sector. The team set up an introductory call with all the leads as well as individual meetings to discuss the documents which have been developed for each sector.

For the Energy, Transport and Waste management sectors, for which CBI is co-chairing, the discussions on the technical expert lead with the material that has been developed for each sector has taken the lead to finish in time with the project.

2.3 Communications strategy to disseminate and promote uptake of criteria locally including 2 to 4 communication documents covering specific thematic and sector areas with a focus on Transport, Energy dissemination, Forestry and Agriculture.

The communication strategy has mainly focused on reaching out to stakeholders, promoting event participation (Boot Camps, Workshops and Webinars). CBI's Comms team sought out the most effective way to reach a broader audience via social media email distribution.

The strategy has been to promote the project's taxonomy development, and emphasises the importance of a local taxonomy, CBI coordinated with local teams on creating a higher impact by reaching out strategically to stakeholders. Networking was carried out with the IFC and with the relevant government institutions to unify and try to achieve the best possible way to promote the Taxonomy. It was important for CBI to advocate for a single Taxonomy that aligned both with international standards and with the local context/requirements. CBI will support the institutions with the communication strategy according to their requests. In the meantime, CBI has supported on how to approach technical experts.

A presentation has been developed that outlines and describes the project outputs and deliverables which have been developed under this project as well as discussed how the final communications strategy will be delivered.

Activities linked to Output 3:

Enable a healthy green pipeline of assets and projects in key sectors.

3.1 An engagement process with potential issuers and asset owners that can drive pipeline generation

3.2 Technical assistance and individual issuer guidance to support local market actors to: a) identify eligible projects, b) to advise on issuance logistics/economics and c) to provide assurance support

3.3 Individual issuer guidance for up to 2 potential issuers in priority sector to provide guidance and support on issuance logistics/economics.



3.1 An engagement process with potential issuers and asset owners that can drive pipeline generation

After the Boot Camps were delivered, there has been noticeable increased interest in green bonds issuance. This project is currently supporting a commercial bank and a local government to identify green assets through a portfolio review, and an additional local government has shown interest in the green financial market and potential issuances, so communication and engagement between the institutions and CBI has started.

As a result of the Boot Camps, CBI was able to reach out to participants from both public and private sectors, who sought support as potential issuers. Different local government officials who had expressed their interest in becoming potential issuers were invited to the Boot Camps.

Other private sector potential green bond issuers have continued to be in contact and have expressed their gratitude for the knowledge imparted. CBI has continued to communicate with several participants, to provide them with continued orientation and knowledge support.

A third institution (different to the two CBI has supported through the TA) has received additional information on issuing a green bond and on “Brown to Green strategy”.

CBI has commenced interaction with the Colombian Green Building Council (CCCS) to add one of their methodologies as a proxy in order to be accepted by CBI to certify green bonds financing low carbon buildings using the CCCS' methodology. This relationship was created after the Boot Camp in Bogotá.

Throughout the project, CBI engaged with 17 companies and institutions who could be potential issuers and would be interested in the Technical Assistance .

3.2 Technical assistance and individual issuer guidance to support local market actors to: a) identify eligible projects, b) to advise on issuance logistics/economics and c) to provide assurance support

CBI successfully achieved the objective of signing MoUs, one with Banco de Bogotá and the local Government of Barranquilla. The signing of the MoUs lead to the Technical Assistance to both potential issuers. CBI has supported all throughout the issuance process, from understanding their eligible projects and guiding them through understanding their portfolio and identifying green projects and assets all throughout learning what would be necessary for their screening criteria. CBI is confident that this process could be replicated in the future by both, Banco de Bogotá and the local Government of Barranquilla. The technical assistance has been successful on guiding and providing support throughout every step of their issuance process.

3.3 Individual issuer guidance for up to 2 potential issuers in priority sector to provide guidance and support on issuance logistics/economics.

Banco de Bogotá

CBI has been working with Banco de Bogotá via an MoU on Technical Assistance (TA) to review their portfolio for a potential Green Bond Issuance. It has engaged on the planning of their framework to include Green Bond Principles, i.e.: Use of proceeds (identifying eligible projects, process for project evaluation



and selection), Management of Proceeds (Ring-fencing or notional equivalence), Reporting (use of proceeds, impact reporting).

After finishing reviewing their portfolio, CBI identified the potential credits that could be included in the bonds and what advised on what information that they need to find out for the SPO review. CBI also supported the team in identifying different sources from where they can find information in order to align the current and future credits to CBI's sector criteria and best practices. This will allow the Bank to easily identify the information they will request to future green loan applications.

CBI has also supported on their communication strategy for the green bond issuance, providing examples, a timeline of media engagement and of issuing statement. CBI Comms Senior Expert and Project Manager shared some examples on previous experiences with the Bank's Sustainable committee. For the CBI's Comms support agreed in the MoU, the team will provide coverage on the issuance through a press release and social media once the Bank is ready to issue even after the MoU end date as that needs to be aligned to their issuance timeline.

CBI supported Banco de Bogotá throughout their green bond issuance process.

Confidential – Banco de Bogotá has finished their external review and is almost ready to issue their green bond in the following weeks.

Local Government of Barranquilla

CBI started this TA in May 2020, following an internal training programme that covered topics such as Risk and Opportunities in Barranquilla and steps on how to issue a green bond. This guidance comprised:

- i) identification of eligible projects,
- ii) project evaluation,
- iii) management of proceeds and
- iv) use of proceeds and impact reporting.

For the impact reporting, CBI provided guidance on the report composition, its format and the information on impact to be included. As and when issuers go to the market with a Green Bond, they will be able to detail the specific GHG reductions in the annual reporting.

CBI supported throughout all the stages of their portfolio reviews helping them understand their projects and assets and reviewed their comments providing more information. They provided 40 projects to be reviewed at the beginning. For those with enough information, the team reviewed, classified in their relevant sectors and provided comments on which information it is missing and how they should review the screening criteria for each sector.

For the final document the local Government of Barranquilla have 12 large projects under their portfolio review, several of these have different assets and projects under one project which we are in the process of detailing everything that these include and specify what information they require for their screening criteria. The team held a call for the government of Barranquilla with CBI's experts and the whole team to go over each of the projects and explain in detail what more information they could add to the document which will be required for their external review and possible certification process. They were advised on how to proceed and they have expressed their understanding of the process which they will be able to replicate in the future. CBI will continue to support them whether they require help or more information throughout their issuance process.



Activities linked to Output 4:

Innovative financial models and de-risking mechanisms to unlock of capital flows.

4.1 **Green Fund concept note** to promote the creation of a Green Debt Fund for the local market that is aligned with global markets

4.2 **Warehousing concept note** to explore green debt financing mechanisms for cities and municipal financial authorities – it will specifically cover land value capture and warehousing as tools to facilitate access to capital for small and medium sized projects.

4.3 **Recommendations paper on Green Fund** and warehousing to set the framework for the potential future implementation of a Green Fund and warehousing tools.

4.4 **Promote potential green bond incentives by working with local stakeholders** including Regulators to identify and promote potential incentives and catalysts for green finance among potential issuers, regulators and other relevant market actors.

4.1 **Green Fund concept note** to promote the creation of a Green Debt Fund for the local market that is aligned with global markets

The recommendations paper includes the description of the Green Debt Fund which has been developed. It also explains why it is necessary in the local market. The paper includes potential implementations, why it is required and recommendation of the employment for supporting small and medium firms which seek to finance green projects.

The sustainable debt capital fund allows institutional investors to participate in the securities issued by the Warehousing Facility, participate in other sustainable issues of the public securities market and carry out sustainable direct financing. The fund's investments must meet a) with the appropriate ratings in terms of risks and b) with the guarantee that the investments made meet the sustainability requirements, which are being verified and measured pre and post issuance. This vehicle offers access to investments for large institutional, national and international pension funds that cannot access this market due to the limitations described above.

4.2 **Warehousing concept note** to explore green debt financing mechanisms for cities and municipal financial authorities – it will specifically cover land value capture and warehousing as tools to facilitate access to capital for small and medium sized projects.

Concept notes on “the Green Fund” and on “Warehouse financing” were developed. This document discusses the structure, characteristics, benefits and risks of these alternative financial instruments. Internal conversations were held to develop the product in the most straightforward way possible while understanding through research other similar alternative instruments from other countries which can be green labelled. A presentation explaining this instrument was presented to financial colleagues in



Colombia for feedback on how a warehousing tool should work and how this instrument would be implemented to reach more users and promote green finance.

This output explored green debt financing mechanisms as a tool to facilitate access to capital for small and medium sized projects. It is expected this output will promote the creation of an alternative financial structure to mobilize green and sustainable debt for the Colombian market and be aligned with international practices.

The Warehousing Facility allows offering technical assistance to meet the sustainability requirements committed by the country and in this way, grant sustainable lines of credit for SMEs and for projects that later allow an aggregation of these credits in a single higher amount. This title can be placed in the capital market under a public issue or second market. These securities, ideally, would have partial guarantees to improve the qualification of the security and make it attractive to institutional investors. Likewise, the aggregation of low-amount credits in a security allows the creation of a natural risk mitigation scheme due to the variety of sectors to which it is provided and due to the flexibility to create bonds with cash flows tailored to the needs of institutional investors in terms of term, rate and repayment scheme.

4.3 Recommendations paper on Green Fund and warehousing to set the framework for the potential future implementation of a Green Fund and warehousing tools.

After several months of research and working on the Recommendations paper, the final draft is ready. This includes the explanation and background of the Green Fund and why it is necessary in the local market. This paper also includes the description of the Warehousing Finance instrument and inspiration on other financial instruments that can be utilized for green debt, it includes and explanation of how it should be employed. It is necessary to point out the risks, benefits and characteristics of the instrument. The paper concludes with potential implementations, why it is required and recommendation of the employment for supporting small and medium firms which seek to finance green projects.

4.4 Promote potential green bond incentives by working with local stakeholders including Regulators to identify and promote potential incentives and catalysts for green finance among potential issuers, regulators and other relevant market actors.

Throughout the process of finalizing the paper for this instrument CBI and its project partners have engaged with several stakeholders for feedback on the use and implementation of the instrument.

For the promotion of this instrument the team is planning a Launching virtual event which will explain in detail the benefits of the Warehousing Facility and the Green Fund.

Currently, planning the dissemination strategy for the launching virtual event to present the document the last week of September or first week of October. Some of the institutions that we would like to present the Warehousing and the Green Fund concept note are SISCLIMA members, Multilateral Banks and other Financial institutions.

Activities linked to Output 5:



Knowledge-sharing.

5.1 Paper and case studies from the region to highlight case studies and lessons learned from Pacific Alliance member countries and the potential of MILA-UK partnership for green bond issuance.

5.2 International knowledge-sharing with Colombia by green finance experts in Europe to contribute to local knowledge and deepen local capability.

5.1 Paper and case studies from the region to highlight case studies and lessons learned from Pacific Alliance member countries and the potential of MILA-UK partnership for green bond issuance.

A webinar highlighting lessons learned from Pacific Alliance members countries was successfully delivered (in place of a paper).

The webinar on May 8th, 2020 was delivered (in Spanish) on “Lessons learned from the Pacific Alliance to promote the green bond market in Colombia for sharing international knowledge”. Two study cases were presented from the Pacific Alliance, detailing advantages and difficulties of a green bond issuance. The webinar had a total of 343 participants. FIRA from Mexico (with a certified green bond) and Bancoldex from Colombia (first issuer of a green bond in the public market) provided international speakers to present their experience as issuers. The webinar covered the selection of green bond, what projects and assets were financed, and how they were structured and issued, as well as investor types and the lessons learned, challenges and recommendations. The Webinar recording has been uploaded to CBI’s YouTube portal. Link: <https://www.youtube.com/watch?v=jhxBi1mrzxY&t=7s>

CBI’s Market Development expert from London explained the current state of the green financial market in Latin America and the possibilities for issuing green bonds in the current situation. The webinar generated significant interest from participants, with more than 30 technical questions asked. Networking opportunities surged after the webinar and interested participants were able to communicate directly with Bancoldex or FIRA.

5.2 International knowledge-sharing with Colombia by green finance experts in Europe to contribute to local knowledge and deepen local capability.

In the Climate Finance Day organized by DNP on November 29th, 2019, Justine Leigh-Bell, CBI’s Deputy CEO, presented a series of international case studies that showcased best practices in both workshops organised by the project.

At a workshop on Green Bonds on February 14th 2020, with Bolsa de Valores de Colombia and project partners Metrix Finanzas and E3 in Medellín, Sean Kidney, CBI’s CEO, delivered key lectures as well as holding a series of meetings with potential issuers in both Medellín and Bogotá.

The CBI project team have been able to engage with at least 16 organizations and stakeholders through the 21 meetings held in the past months. These institutions include: Secretaria de Hacienda, Alcaldía de Bogotá, Alcaldía de Barranquilla, FDN, Ecopetrol, Cementos Argos, Corficolombian, Fabricato, Odinsa, EPM, Metro de Medellín, Grupo de Energía de Bogotá, Amarilo, ISA, Federación Colombiana de



Cafereros, Finagro, etc. These meetings covered dispositions for issuing green bonds and availability to become recipients of a technical assistance as potential green bond issuers.

Cooperation with the Colombian Stock Exchange (BVC) led to focused training on creating a salespoint and a speech for green bond promotion. There was close engagement with Ecopetrol who was very interested in the Brown to Green Transition strategy and sought more support for their green strategy.

Additionally, a podcast for international knowledge-sharing has been developed with the objective of having a broader audience and reaching new actors. It could potentially provide wider access to experts and underutilised knowledge. A series of podcasts were uploaded to Metrix's podcast platform; others have been developed and will be posted on CBI's platform.

Four Episodes under Metrix Finanzas platform "Finanzas sostenibles para todos" have been developed and are available online on Spotify and Apple podcast. The podcast on CBI's platform released six episodes, these are available on the platforms Spotify and Apple podcast.