The coordination of climate finance in Colombia

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Key messages

- Colombia has made important steps in the coordination of national climate change action through the design of a national climate change system, SISCLIMA (currently seeking formalisation). SISCLIMA brings together national and international actors developing work on climate change that have, to date, been spread widely with few inter-linkages.
- Essential government coordination and support across MADS, DNP and MFA has developed through informal work within the SISCLIMA and has gained momentum, largely thanks to international processes supporting climate change action and the impact of extreme weather events.
- Regional development banks can play an important role in developing climate change policies through programmatic approaches. IADB and the PBL provided to Colombia have played a fundamental role in the development of the SISCLIMA.
- Dealing with conflicting government priorities remains a big issue for effective climate change action. Identification of mutual benefits is now under way aiming to tackle this issue.
- Stronger stakeholder engagement of civil society, the private sector, subnational entities and law-makers is required to increase awareness and understanding of climate change vulnerabilities and opportunities. Improvements in terms of transparency of finance flows for climate related activities are also required; this could help identify financing gaps.
- International institutions such as the GCF could enable stronger stakeholder engagement. In addition, existing national and subnacional entities could support implementation and MRV processes, however institutional strengthening, clear mandates and improved capacities will be required.

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Table of contents

Abbreviations

AAUs	Urban environmental authorities
APC	International cooperation presidential agency
CARs	Regional autonomous corporations
CCNAP	Climate Change National Adaptation Plan
CLCDS	Colombian Low Carbon Development Strategy
COMICC	Inter-Sectoral Commission on Climate Change
CONPES	National Council for Economic and Social Policy
DNP	National Planning Department
FC	Finance Committee
FCPF	Forest Carbon Partnership Facility
GCF	Green Climate Fund
GDP	Gross domestic product
GEF	Global Environment Facility
GHG	Greenhouse gas
IADB	Inter-American Development Bank
IDEAM	Institute of Hydrology, Meteorology and Environmental Studies
MADS	Ministry of the Environment and Sustainable Development
MFA	Ministry of Foreign Affairs
MICT	Ministry of Industry, Commerce and Tourism
MOFPC	Ministry of Finance and Public Credit
MRV	Measuring, Reporting and Verification
NDBs	National development banks
NDP	National Development Plan
NGOs	Non-governmental organizations
PBL	Policy Based Loan
SISCLIMA	National Climate Change System
UNFCCC	United Nations Framework Convention on Climate Change

1 Introduction

This paper presents an overview of the institutional arrangements for climate finance being set up in Colombia. It considers their history, structure, role and capacity for coordinating different sources of climate finance.

It also reflects on Colombia's wider actions on climate change and its experience in raising climate finance from public and private sources at the national level, as well as evaluating international sources. This analysis aims to provide a better understanding of the issues surrounding access, mobilisation and implementation of climate finance. Furthermore, it builds on the need to generate a country vision that articulates the reflection of these issues within international processes, notably the design of the Green Climate Fund (GCF).

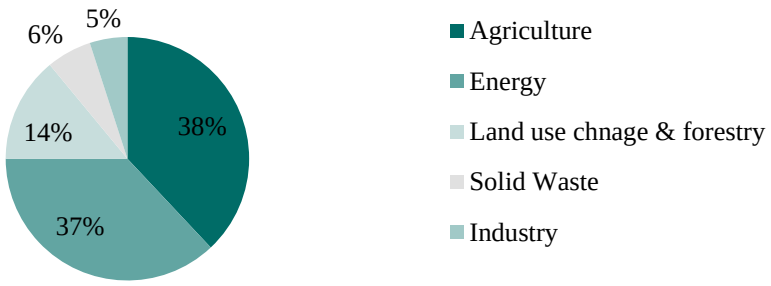
2 Mapping Colombia's institutions and experience to date

2.1 Climate change in context

Colombia's Second National Communication to the UN Framework Convention on Climate Change (UNFCCC) in 2010 reported that the country had contributed 0.37% of global greenhouse gas (GHG) emissions (0.18 GtCO2e) in 2004, with GHG emissions per capita of 4.25 tonCO2e/year (IDEAM, 2010).

The agriculture and energy sectors were the country's biggest emitters, contributing 38% and 37% of GHGs, respectively. Land use change and forestry represented 14%; solid waste took up a 6% share and industrial processes 5%. A more recent analysis by the World Resources Institute (WRI) using the CAIT 2.0 Climate data explorer tool estimates a total of 0.22 GtCO2e GHG emissions for Colombia in 2009, including land use change and forestry. According to this metric, agriculture and energy are still the top emitters.

Figure 1: GHG emissions by sector in Colombia, 2004



Source: IDEAM (2010).

A range of metrics for calculating Colombia's vulnerability to climate change is available. DARA's Climate Vulnerability Monitor (2012) anticipates that climate change impacts will result in annual gross domestic product (GDP) losses of 5.2% by 2030, up from an estimated 2.6% in 2010. Droughts, floods, landslides and biodiversity are the indicators predicted to be the most severely affected, with agriculture and forestry expected to see the greatest impacts in economic terms. In contrast, the University of Notre Dame Global Adaptation Index (ND-GAIN) defines Colombia as a country with a low vulnerability score and a high readiness level; adaptation challenges exist but the country is well positioned to adapt.[1]

In the official report submitted as the Second National Communication to the UNFCCC, Colombia underlined its high vulnerability to the effects of climate change, and explained that climate impacts could bring about significant consequences; anticipated changes might be small, but will affect large areas of the country. The analysis presented in the communication found that the most probable climate change scenario was one of significant change and adverse effects, occurring to varying degrees across the country. These impacts will probably manifest towards the end of the 21st century in the most sensitive and vulnerable ecosystems, notably the Andean biome, protected natural areas, farming and peasant smallholding areas, woodlands, bodies of water, dry ecosystems, coastal areas and islands.

In addition, a recent study on the effects of climate change in the Colombian economy carried out by the Departamento Nacional de Planeación (DNP; National Planning Department) with support from the Inter-American Development Bank (IADB) and the UN Economic Commission for Latin America and the Caribbean (ECLAC) suggests climate change could generate permanent GDP losses until the end of the century, which, when accumulated, would be equivalent to losing nearly four times the GDP of 2010 (DNP-BID, 2014).

2.2 Policies and legislation adopted to address climate change

The government of Colombia ratified the UNFCCC under Law 164 in 1994 and the Kyoto Protocol under Law 629 in 2000. In 1995, it introduced the National Biodiversity Policy, which defined a national plan based on three strategies: conservation; sustainable use of biodiversity; and knowledge. This policy introduced the concept of environmental services and biodiversity risk owing to climate change. Since then, there have been developments in climate change-related legislation, including the First National Communication to the UNFCCC in 2001; Consejo Nacional de Política Económica y Social (CONPES; National

[1] http://index.gain.org/country/colombia

Council for Economic and Social Policy) Document 3242 in 2003, which introduced the national strategy of payment for environmental services for climate change mitigation through the Clean Development Mechanism (CDM); Resolutions 0453 and 0454 for emissions reduction projects in 2004; introduction of the Climate Change Working Group in the Instituto de Hidrología, Meteorología y Estudios Ambientales (IDEAM; Institute of Hydrology, Meteorology and Environmental Studies) in 2006; the Second Communication to the UNFCCC in 2010; and, more recently, the National Development Plans (NDPs) for 2006-2010 and 2010-2014, which call for national strategies and institutional arrangements for climate change, and CONPES 3700, introduced in 2011, which conceives the National System of Climate Change (SISCLIMA; Sistema Nacional de Cambio Climático) as main institutional arrangement to coordinate and propel climate change actions, which is the focus of this study.

Risk prevention has become an increasingly important narrative in Colombia. This has been strongly influenced by the impacts of La Niña, a hydro-climatic event that in 2010-2011 affected more than 3.2 million people (Colombia Humanitaria, 2014) and was responsible for asset losses in 2011 equivalent to 2.2% of the country's GDP (DNP, 2013). This catastrophe evidenced the impact climate change events could inflict on the country and their threat to the achievement of economic growth and competitiveness objectives.

The current NDP (2010-2014) includes elements of sustainable economic growth, environmental sustainability and risk prevention. It also identifies conflicting sectors such as mining, agriculture, housing and infrastructure as key drivers of the economy. It links climate change adaptation to development goals and defines four priority climate actions: the Climate Change National Adaptation Plan (CCNAP), led by DNP and supported by the Ministerio de Ambiente y Desarrollo Sostenible (MADS; Ministry of the Environment and Sustainable Development); the Colombian Low Carbon Development Strategy (CLCDS), led by MADS and DNP; the National REDD+ Strategy (ENREDD+) led by MADS; and the Strategy for Fiscal Protection Against Natural Disasters, led by the Ministry of Finance and Public Credit (MOFPC).

Following the recent presidential election, a new NDP for 2014-2018 is now being developed, with peace, social equality and education set as the new national priorities. Climate change is expected to be present in this plan, allowing for a move away from the design of strategies and plans towards implementation and mainstreaming of climate change action.

2.3 Climate change investment response: an overview of the landscape

Colombia is currently carrying out the formulation of its national strategies for climate change and their implementation plans, with the focus on projects for mitigation and adaptation at the sectoral and sub-regional levels. In terms of mitigation, the CLCDS prioritises the following sectors: **agriculture and livestock; energy; transport; housing, industry, mining and hydrocarbons and waste.** Meanwhile, the CCNAP identifies as relevant sectors for adaptation **transport (infrastructure); agriculture; health; energy generation; and housing** (MADS, 2013a). Although the agriculture and livestock sector is responsible for the greatest share of GHG emissions, it is also the most vulnerable to climate change effects (IDEAM, 2010). In addition, adaptation actions have already been put in place for various regions of Colombia, including efforts in strategic planning and in mainstreaming adaptation into development plans in the department of Huila and the cities of Bogotá, Cartagena and Montería; and plans

for reducing vulnerability in regions including the Depresión Momposina and the Chingaza–Sumapaz–Guerrero area (MADS, 2013a).

Diverse mitigation and adaptation initiatives are already underway. These activities are taking place at various levels, internally and externally of the national and subnational governments, and are not always well coordinated. The following section presents an overview of the investment flows and key actors in Colombia's climate change investment response.

2.3.1 Role and flows of climate-related public (domestic and international) finance

Domestic public finance

Generally, the relevant ministries manage investment related to the sectors identified as key for mitigation and adaptation. DNP defines budgets for national and international flows for each ministry; the national budget follows guidelines defined in the four-year NDP, and is specifically assigned on an annual basis after approval by Congress. It is then disbursed by MOFPC.

Figure 2 summarises the national investment plan for 2010-2014. Economic growth and competitiveness have the largest share of investment with 47% of the total, of which mining and electricity expansion have a central role. In contrast, 6% of the total budget was assigned to environmental management and sustainable development, including for the development of the CCNAP, CLCDS and ENREDD+ national climate change strategies (Sarmiento and Ramos, 2012).

Figure 2: Multiyear Investment Plan (Trillions of Pesos) 2011-2014

Source: DNP, 2011

Although the total amount directed from the national budget to each sector is clearly defined, identifying the proportion of resources directed to climate change is not possible at the moment. A recent study by the UN Development Programme (UNDP) (2014) found data were dispersed and difficult to compare. In addition, there are no aggregated figures available: figures exist only for individual projects and programmes. A key problem is the lack of an agreed government position on what constitutes climate finance (ibid).

However, figures in a study published by ECLAC in 2013 on adaptation costs reflected in the national budgets of Colombia, Ecuador, Nicaragua and Uruguay indicate that investment in direct adaptation measures in Colombia in 2012 was equivalent to 0.0002% of national GDP – the lowest share of the four countries studied, in spite of being one of Colombia's largest share of national budget allocation for adaptation as a result of La Niña between 2011 and 2013

(Minhacienda, 2012) In terms of direct investments in mitigation from the national budget, UNDP states that the majority of investment in mitigation actions comes from international sources. Finally, it is important to note that the national budget directed to governmental institutions working on environmental issues, including climate change, has historically been low, with estimates of under 1%, of which less than 1% goes to entities dealing directly with climate change (Sarmiento and Ramos, 2012).

Subnational environmental authorities such as the corporaciones autónomas regionales (CARs; regional autonomous corporations) and the Autoridades Ambientales Urbanas (AAUs; urban environmental authorities) are responsible for implementing environmental policy formulated by MADS, and therefore have an important role to play in mitigation and adaptation actions. However, their capacity to effectively manage resources for the implementation of relevant activities is questionable. The role of CARs in subnational actions could be enhanced and strengthened, as these are closer to the regions and better understand their needs.

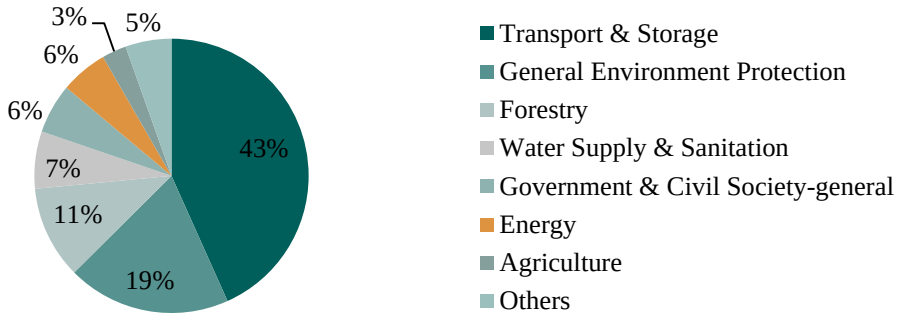
There are also a number of national financial institutions playing a role in shaping investment in various areas of development, including climate change. Two national development banks (NDBs) in Colombia, Bancoldex and Findeter, have integrated into their agenda support for mitigation and adaptation initiatives. These NDBs have introduced preferential credit lines and support programmes on transport and energy efficiency, including as recipients of funds from the Clean Technology Fund (CTF) and development of a market study for a public lighting nationally appropriate mitigation action (NAMA).

Colombia has also created a National Adaptation Fund – a temporary fund created in 2010 through Decree 4819 of 2010 to provide help with adaptation measures for communities affected by La Niña between 2010 and 2011. The fund seeks to reduce the vulnerability of communities to extreme hydro-meteorological events and to develop plans for the integrated management of hydro resources. However, it has faced challenges in implementing the allocated funds. The potential for the fund to become a National Climate Change Fund is currently under evaluation by the government.

International public finance

UNDP (2014) finds that, in the past nine years, Colombia has received around US$15 million in actual disbursements of official development assistance (ODA) whose principal objective has been adaptation or mitigation. This has been balanced between grants and loans, with a 54% and a 46% share, respectively, and has targeted five main sectors: **industry; transport; agriculture; housing; and energy.** Figure 3 presents the share of ODA commitments with climate change objectives directed to Colombia between 2002 and 2011 by sector. It is noticeable that, in spite of high levels of mitigation potential and the vulnerability of the agriculture and livestock sector, this still does not figure as a priority within these international finance sources.

Figure 3: Share of ODA commitments to Colombia with climate change objectives, 2002-2011



Source: UNDP (2014).

In Colombia, international flows are managed on two parallel lines: DNP oversees loans; and grants are coordinated between various bodies and the Agencia Presidencial de Cooperación Internacional (APC; Presidential Agency of International Cooperation), a governmental entity created in 2010 to manage, guide and coordinate all granted and received international cooperation. International cooperation offices within ministries and public institutions at the national and subnational levels play other important roles within the national system for international cooperation. These act as focal coordination points with the APC; with non-governmental organisations (NGOs), which manage non-official international cooperation; and with subnational governments and institutions, which play key roles in decentralised cooperation between municipalities and provinces (Codazzi, 2012).

Currently, there is no tracking system for international climate finance in place. Some international climate finance is specifically tagged and recorded under this category by government institutions, such as the APC or ministries, but significant amounts spent outside the system (e.g. by local governments or NGOs, etc.) could be left off the radar.

Financial and technical international support has been significant in Colombia. Some of the main sources include the Forest Carbon Partnership Facility (FCPF) and technical and financial support from various sources, including IADB, the Global Environment Facility (GEF), the European Union (EU)–UNDP, Mitigation Action Plans and Scenarios Programme (MAPS), Center for Clean Air Policy CCAP, the Global Green Growth Institute (GGGI), the Climate and Development Knowledge Network (CDKN), the Partnership for Market Readiness and the World Bank (Government of Colombia, 2011). Bilateral programmes include those with the US (US Agency for International Development: USAID), Germany (German International Cooperation: GIZ; the German Federal Environment Ministry: BMU; the German Development Bank: KfW) and the UK (Prosperity Fund). Readiness activities are also being held with the UN Environment Programme (UNEP), UNDP and WRI. In addition, Colombia has developed an investment plan that will tap US$150 million in financing from the Clean Technology Fund (CTF) for a range of urban sustainable transport investments and energy efficiency projects (CIFs, 2013).

The Ministry of Foreign Affairs (MFA) has been a key player in helping the country access financing opportunities at the international level.

2.3.2 Private finance

Currently in Colombia, there is no information system to identify the level of participation of the private sector in climate finance. Until today, involvement of the private sector in climate change investment has been mainly through energy efficiency projects, driven mostly by the economic benefits of this type of effort, and which have been popular among hotels and hospitals. The agriculture sector, mainly coffee producers, has been also active in taking adaptation measures, as a result of concerns over productivity and competiveness vulnerabilities. Another interesting initiative is IADB's support to a voluntary emissions trading scheme funded by GEF and in partnership with the Colombian foundation Natura at a total cost of nearly US$10.5 million (IADB, 2011)

The power sector has seen a relatively low level of climate-related investment. Between 2006 and 2012, investment in clean energy totalled US$1.2 billion, of which almost half went to biofuels and 40% to small hydro projects (IADB, 2013). This meant the country ranked 14th on clean energy investment in the region – a relatively low position since Colombia is the third biggest economy in Latin America.

Finally, there is also an important role to be played by the financial private sector, which in 2012 took an important step with the signature by nine private financial institutions, two development banks and the Colombian government of the Green Protocol. The objective of this protocol is to facilitate the implementation of policies and actions that enhance sustainable development in the financial system. It aims to provide credit and/or investments and programmes that promote the sustainable use of natural resources and sustainable practices by the signing parties (Government of Colombia, 2012).

2.3.3 Role of civil society and research institutions on climate change issues and on climate finance specifically

Research institutions and universities have formed a body of knowledge around climate change in Colombia and shaped the country's strategies for mitigation and adaptation. IDEAM is the leading governmental scientific institution on climate change, and has helped shape understandings of the country's vulnerability to climate change as well as of its sources of GHG emissions. IDEAM has therefore been a central actor in the formulation of national communications to the UNFCCC, the CLCDS and the National Adaptation Fund. The Centro Internacional de Agricultura Tropical (CIAT; Tropical Agriculture Research Centre) has worked on modelling climate change impacts in the agriculture sector and has created an online system for monitoring deforestation. Universities have also played an important role. For example, the University of Los Andes has carried out an abatement curves analysis, published earlier this year, for agriculture and livestock, mines, energy, transport and waste. This report has been key in the planning and design of the CLCDS.

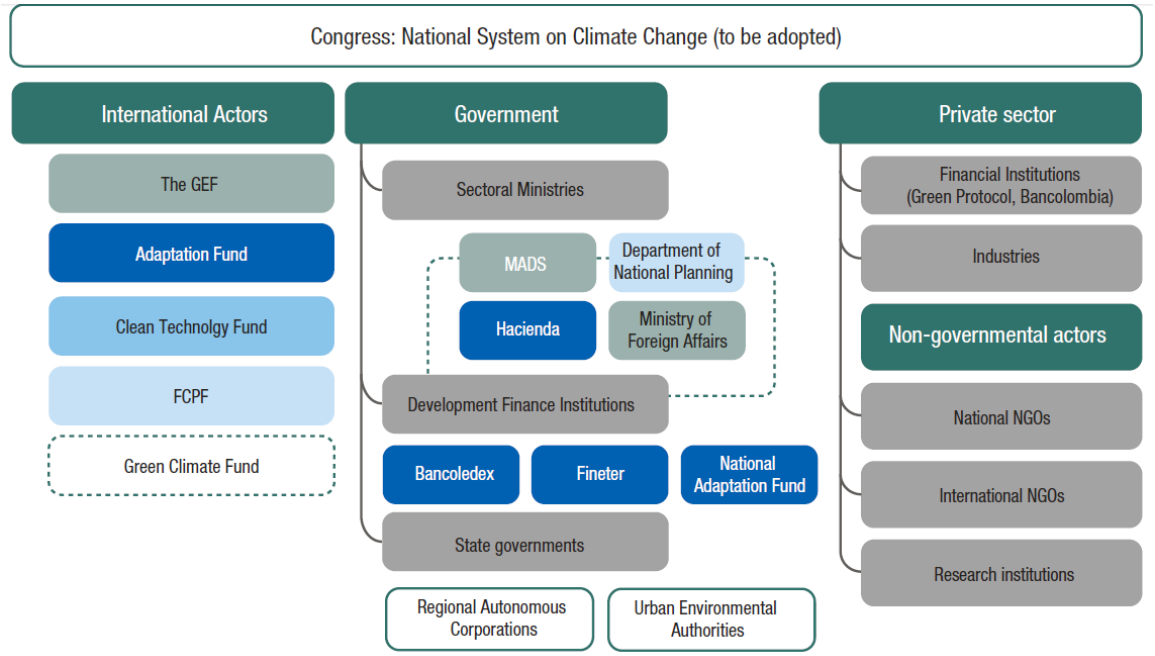
Social support to climate-related polices has improved in recent years, as they have started to be decentralised and better structured. Participatory spaces for influencing the government are open to a wide range of stakeholders, including ministries, NGOs, academics, indigenous communities and associations. However, there has been criticism of these spaces as discussions are seen not to have impact in national policy markers (Sarmiento, 2011). In addition, there is some lack of trust between the government and indigenous communities as a result of historical marginalisation, which poses a challenge in terms of the implementation of land-related initiatives under REDD+, given land ownership issues (Sarmiento and Ramos, 2012). There are also concerns related to the capacity of national NGOs

(Ruiz, 2014) and their current role, as, more often than not, international NGOs are more active in the national context.

2.3.4 Key actors in the climate change investment response

Figure 4 summarises the key actors in climate finance investment in Colombia. While there are several key actors actively engaged from government, the private sector and civil society, there are equally important actors that so far have been less involved, such as: industries, the national NGO community and some subnational entities such as CARs and AAUs..

Figure 4: Key national actors in climate finance investment in Colombia



Source: Author's depiction

3 Analysing institutional arrangements for climate change and finance at country level

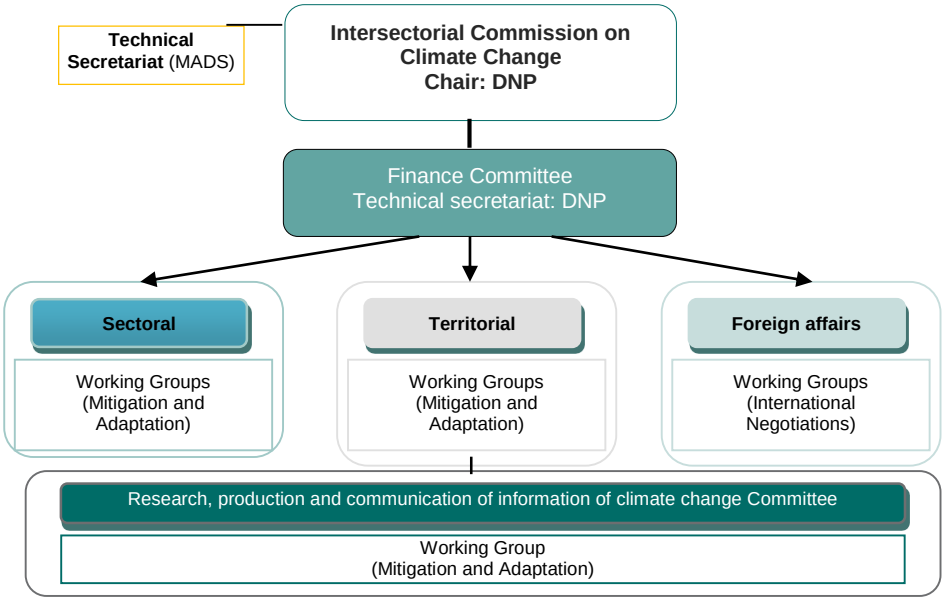
3.1 The Colombian National System of Climate Change

The government of Colombia defined its policy on climate change in CONPES 3700, published in July 2011. This policy was developed by the Climate Change Office under DNP in light of government awareness on the need to interlink the fragmented initiatives taking place across the country; to expand climate change beyond the environmental institutions to reach all sectors; and to increase and improve information on and understandings of climate change impacts in Colombia.

CONPES 3700 defines SISCLIMA as the official national institution to coordinate and propel climate change actions. Within these actions, SISCLIMA will coordinate the implementation of the four climate change priority strategies defined by the government: CCNAP, CLCDS, ENREDD+ and the Strategy for Fiscal Protection Against Natural Disasters. It is expected that these strategies will need to formulate their own financing strategy and to add a component for private sector investment.

The proposed approach is one whereby climate change initiatives will be built through a bottom-up approach. Four permanent committees at the base of the SISCLIMA structure will coordinate, shape and implement sectoral and territorial policy as well as international affairs for climate change adaptation and mitigation based on detailed technical studies carried out on specialised working groups. The Finance Committee (FC) will act as coordinator of financing activities and offer support to those initiatives seeking financial support by directing efforts to identify and coordinate sources of finance available at the national and international levels. Finally, at the very top of the system, the Comisión Intersectorial de Cambio Climático (COMICC; Inter-Sectoral Commission on Climate Change) will bring together various ministries and key national institutions to coordinate and direct institutional efforts on climate change and act as the connection point between SISCLIMA and the wider government, including the presidency. COMICC will also share findings and guide policy at the highest level of the national government on climate change issues.

Figure 5: SISCLIMA structure



Source: Draft Decree

The FC was initially intended to assess projects structured by the permanent committees; however, after further evaluation and after taking into account the capacity available at the FC compared with the large number of initiatives – which is expected to increase in the future – it now has the role of coordinating and supporting instead of filtering, which could lead to bottlenecks. This new role will enable the FC to become the central point with an overview of investment flows and enable it to ensure the most effective use of climate finance.

The FC has representatives from various governmental institutions, including ministries, each of the four national climate change strategies, NDBs, research centres, private financial institutions and international cooperation agencies. Table 1 presents the complete list, with further information on types and levels of participation.

Although SISCLIMA has not yet been officially formalised, the members of its FC have been meeting on an almost monthly basis since early 2013 in order to identify the challenges and opportunities in climate change project financing, and preparing itself to support the objectives of the committee once it is fully operational. DNP, as the Secretariat, with support from the Ministry of Foreign Affairs, has been leading this process by driving the agenda and inviting institutions to become members. Thanks to this active role and the prospects of international support (e.g. GCF), the FC has managed to gain momentum and capture the interest of various actors.

Activities of the FC so far have been of an exploratory nature, focused on mapping out the projects currently being undertaken by all members of the committee, and on carrying out a preliminary diagnosis of financing instruments from international cooperation and development banks. Efforts have started in relation to coordinating the multiple international initiatives planned to start in Colombia. Given the unofficial status of the committee, no financial resources have been provided for its operation. Therefore, members of the committee and the time they commit to it are covered by each of the institutions represented, and in the majority of cases members have been specifically appointed by their institution to attend meetings.

Table 1: Finance Committee participants

Participants			Role/expertise in the FC
National climate change strategy coordinator entities	PNACC	Strategy coordinator (NDP)	Finance strategies and projects, portfolio management
	ECDBC	Strategy coordinator (DNP and MADS)	
	REDD+	Focal point (MADS)	
	EPFD	Technical assessors (MOFPC)	
Financing entities	Findeter	Environmental and social responsibility director	View of available finance and project financing histories
	Bancoldex	Business intelligence director	
	FINAGRO	Planning manager and presidential advisor	
	AF	Assessor	
Cooperation management and coordination entities	MFA	International Environmental Affairs Office assessors working on UNFCCC	Understanding of international cooperation offer and demand trends
	APC	Advisor	
Economic development policymakers	MOFPC	Public credit and macro policy advisors	View of economics and politics (present and future possible changes)
	MICT	Advisor (Bancoldex Board of Directors)	
Private sector	Commercial banks associations	Director of environmental affairs	Financial private sector view, understanding of needs and engagement
MADS	International Affairs Office advisors Climate Change Group advisors		Finance strategies and projects, portfolio management
	Director of Office of Climate Change (occasionally)		
IDEAM	Climate change advisor		Scientific and technical advice
DNP	Mitigation coordinator and person responsible for coordination of financial management		Technical secretariat
	Financial advisor for ECDBC		
	Sub-director of sustainable environmental development		
Guest (could be permanent)	International cooperation agencies, MDBs,others	USAID and PNUMA	View of available financing channels

Source: Adapted from II Diálogo sobre Finanzas del Clima en América Latina y el Caribe (2013).

Although the FC has managed to bring together in a coherent way key stakeholders, such as public and private financial institutions, there is still a great deal of work to

do in engaging other important actors, such as representatives of the private sector and industry, civil society/NGOs and subnational government. Furthermore, the committee needs to capture stronger interest from inside the government. For example, although MOFPC, a key institution for financial and budget decision-making, is part of the committee, its level of participation is not continuous. In addition, the person representing the climate change strategy that MOFPC leads on (the Strategy for Fiscal Protection Against Natural Disasters) is often different from meeting to meeting and there is no presence in relation to national budget issues – a key area for the FC.

Having analysed the actors and institutional approach towards climate change and finance in Colombia, we now present a summary mapping of climate finance actors in the country (Table 2). The aim here is to explain the overarching role of each of the key entities involved as well as implications for the climate finance agenda in the country.

Table 2: Mapping of climate finance actors and implications

Key actor		Role	Implications	
Government				
National	DNP	Lead role, strong institution with influential capacity across the government. Climate change offices weaker, with staff turnover, and with recent focus on risk management.	The active role of some sectors inside government has resulted in a strong understanding of barriers and institutional implications of climate change in Colombia. However, so far the momentum has failed to reach other areas that are fundamental for creating a national vision with stronger legal basis. This could owe to the lack of harmonisation between active bodies, conflicting government's priorities and awareness on climate related matters beyond environmental issues, which is improving.	Important actions have been taken so far, with national and international support, mostly in terms of understanding of the institutional implications of climate change, barriers and needs and, more importantly, proposal for solutions. Strong leadership and collaborative work by DNP, MADS and MFA have helped building ownership inside the government. However, processes have been championed by mid-level managers without a place on the national agenda, which in the past four years has defined as drivers of development
	MADS	Lead role and deep technical understanding, but traditionally weak institution with restricted political influence.		
	MOFPC	Weak role. Key actor in national budget, macroeconomic and fiscal policy; poor interest in climate finance and focus on risk management.		
	APC	Active role. Efforts in identifying and coordinating international climate finance.		
	MFA	Lead role. Actively engaging with actors across the governments, linking and informing opportunities from the international landscape.		
	Ministry of Energy and Mines	Active role. Key in terms of energy efficiency and renewable energy, with some timid actions on these fronts. Conflicted goals with priority area of work being mining.		
	Ministry of Agriculture	Semi-active role. Key sectors in terms of GHG mitigation and vulnerability to climate change currently working on mitigation and adaptation plans. However, historically marginalised sector.		

	Other sectoral ministers: Transport, Housing and Industry, Commerce and Tourism	Weak role. These ministers have an important role to play on mitigation and adaptation actions. MICT has engaged through the FC and its sit in the board of Bancoldex. Measures and activities on national infrastructure and housing are still to be seen.		conflicting sectors (mining, agriculture, housing, infrastructure and innovation) There is also lack of wider stakeholder engagement, a poor level of information outreach and a gap yet to be sealed between national and subnational governments. Work remains in institutionalising SISCLIMA and inserting climate change into the wider national agenda, including in MOFPC. This will be key to provide strong signals from the government to private sector investors.
Subnational	Local government	Some, at city and regional level, are very active in mitigation and adaptation activities through accessing international multilateral and bilateral support as well as public budget. Less action from areas with higher resource constraints and vulnerability. No direct role in FC, and, although there is a dedicated committee in SISCLIMA for subnational activities, this is not operating yet.	Activities dispersed so far and, though it is intended they will be better coordinated under SISCLIMA, the unofficial status of the system makes harmonisation difficult to initiate. A more active role by CARs will enable wider coverage of climate finance in local communities. Capacity-building and technical support required for many regions, including at municipal level.	
	CARs	Semi-active role but with great potential. Being close to the communities and with great technical capability, CARs are well suited to channel climate finance, but capacity constraints and poor management record have limited their role so far.		
Public financial institutions				
	NDBs	Active role. Long-term processes taking place through creation of dedicated credit lines, green strategy and environmental and social risk analysis system to evaluate and control impacts of projects financed. However, still a lot of potential to develop; their participation in FC is a key step.	NDB activity is building up capacity and experience in attracting and managing climate finance and driving financial innovation. Lack of action from Central Bank is clear sign that climate finance is not taken seriously by the government yet.	
	Central Bank	Weak role. This study has not found evidence of an active role. Some studies have been produced to understand the economic implications of climate change, but these have not been translated into action.		
Civil society/NGOs				
	National	Weak role. Poor representation in climate finance-related activities. Capacity constraints in financial matters and lack of government engagement. No representation in FC so far.	In general, civil society has low representation in climate finance issues, because of both capacity constraints and poor relationship with government.	
	International	Active role. Various international NGOs active in climate change matters as well as financing engaged through APC.		

Private sector			
	Financial institutions	Active role. Commercial bank associations are part of FC and individual members have shown interest. Green Protocol is in place and there is increasing interest in suitability policies. However, low number of financial products for mitigation and adaptation and weak microfinance sector.	Financial and business associations are preferred way of engagement by government in climate change issues. Financial institutions have an important role but business and industry have not yet developed their potential, perhaps owing to lack of the right policy signals.
	Business and industry	Weak role. There is a space provided for private sector associations' engagement in working groups for national strategy formulation and sub-committees in SISCLIMA. No evidence of small and medium-sized enterprise involvement yet.	
International cooperation			
	Funds	Active role. Key actors such as GEF and IADB carrying out important activities in terms of driving investment into low carbon development and policies. However, usually not well coordinated.	International actors very attracted by Colombia and have helped develop understanding and important actions around climate change and finance issues. However, not always coordinated and have had a negative impact on country ownership in some cases.
	Development partners	Active role. Carrying out wide range of research and capacity-building projects. Again with poor coordination and sometimes resulting in poor country ownership. Efforts are under way to improve this by FC and APC.	

3.2 Accessing international climate funds

Colombia has valuable experience in accessing international sources of finance. Drawing on this information, it is possible to identify positive practices and gaps that can be filled to better shape future engagements. This section explores the experience of Colombia accessing five international funds: the GEF, the CTF, the Adaptation Fund (AF), the FCPF and the Global Fund to fight AIDS, Tuberculosis and Malaria (the Global Fund).

In the majority of cases, the funds engage with the national government through focal points (Table 3), which vary depending on the nature of the activities being funded. For instance, the GEF has two focal points: a political focal point – the director of multilateral economic, social and environmental affairs within the Ministry of Foreign Affairs – and an operative focal point – the head of the International Affairs Office within MADS. The CTF and the FCPF, on the other hand, have a single focal point: the credit sub-director at DNP and the coordinator of all REDD+ National Strategy-related activities, respectively. In the case of the AF, there is currently only one project in process;[2] this is managed by MADS but

[2] A five-year project: Reduce Risk and Vulnerability to Climate Change in the Region of La Depresión Momposina.

UNDP is the implementing agency, as Colombia does not have a National Implementing Entity for the fund. Having multiple focal points can make it possible to draw on specialised expertise to ensure better assessment of key issues while accessing international funds. However, it also requires good coordination, communication and division of responsibilities among the focal points.

Formulation of programmes/projects under these funds is usually well structured and developed in consultation with a wider group of stakeholders. For example, for the GEF and the AF there are national steering committees made up of respective focal points and representatives of relevant government ministries and institutions, research institutes and respective implementing agencies. For the AF, a technical and an advisory committee have also been formed, to allow for the participation of local government, communities, universities and NGOs; however, the impact of this committee is not clear since, in the programme's proposed management structure, it does not appear to be directly linked to the other components of the programme (MADS, 2013b).

Table 3: Accessing international funds in Colombia

International fund	Resources accessed	Systems/processes used to engage with national government	Mechanisms for including other stakeholders (if any)	Key strengths/weaknesses
GEF	US$125 million	Political focal point (Ministry of Foreign Affairs) and operative focal point (MADS)	National steering committee, discussion meeting and planned workshops	High level of leverage and wide number of projects/implementation gap
CTF	US$150 million	Government focal point: DNP, credit sub-director	Country meetings (high-level representation – Colombia does not appear to have participated)	Programmatic approach/implementation gap and difficulty to match required co-finance
AF	US$8.5 million	Coordinator: MADS	Advisory committee and workshops with local communities	Well-organised structure for implementation/lack of national implementing entity
FCPF	US$3.80 million	FCPF focal point: coordinator of all REDD+ National Strategy-related activities on behalf of MADS	REDD+ National Board; Amazon Indigenous Roundtable on Environment and Climate Change; workshops; Strategic Environmental and Social Assessment; and Environmental and Social Management Framework	Extensive stakeholder consultation for definition of REDD+ strategy/difficulties to fulfil due diligence requirements regarding the Strategic Environmental and Social Assessment; land ownership issues; weak communication channels with local communities
Global Fund	US$86.6 million	Ministry of Health and Social Protection (CCM vice-chair) and FONADE as recipient	CCM and stakeholder consultation	Wide and strong stakeholder consultation and engagement/
IADB	US$4.167 billion	3 coordination points: DNP and MOFPC (responsible for lending resources) and APC (grant resources)	IADB office in Colombia, which includes areas of work on climate change	Local presence and deep understanding of national context, programmatic approach/

The CTF investment plan for Colombia was designed in coordination with IADB, members of the World Bank Group, the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC) and key Colombian stakeholders, primarily to engage potential clients, service providers and regulators. A similar approach was taken to access the FCPF, for which the funding proposal was prepared by a team representing various experts and stakeholders, including the government (cross-sectoral representation), the scientific community, NGOs, affected communities and international supporters.

In most cases, the government carries out activities such as workshops, public consultations and dissemination of information with the aim of ensuring strong stakeholder engagement – such as of grassroots communities, community action boards and municipalities – in projects and programmes to be funded through these international funds (MADS, 2013a). However, the wider community is ambivalent on the effectiveness of these workshops and on how far communities can make inputs into projects. In addition, in some cases, the information provided is confused or inaccurate, and it is sometimes difficult for the community to access it directly, given limited access to the internet (interview with Sociedad y Ambiente, 2014).

The Global Fund is perhaps the best example of stakeholder engagement and fund effectiveness. It has a broad Country Coordination Mechanism (CCM) with three focal points, a chair, a vice-chair and 30 members. It has multi-stakeholder representation, including members from the government, NGOs, academies, affected people and communities, multilateral and bilateral development partners and the private sector as well as a comprehensive gender-sensitive approach. PricewaterhouseCoopers Ltd Colombia acts as the local fund agent and disburses to recipients such as Cooperative Housing Foundation International, the Fondo Financiero de Proyectos de Desarrollo (FONADE; Development Projects Finance Fund) and the University of Antioquia Foundation (Global Fund, 2014).

Accessing these funds has presented the government with challenges. For example, although MADS has been making strong efforts to mobilise funds from the GEF, this fund is associated with long and complex processes, which are aggravated in Colombia by the country's numerous implementing agencies, given its lack of a national implementing agency. In addition, technical project support from MADS has proved difficult to supply, as the ministry has faced capacity challenges owing to staff changes and a restructuring process over the past couple of years. In the CTF, a revised plan presented the government with difficulties in terms of achieving the minimum required leveraged loan funds, which were considered too high for Colombia. In addition, it has been difficult to incorporate funds given that the national budget is programmed according to Colombia's four-year medium-term fiscal framework. In the FCPF, MADS asked the World Bank to renegotiate due diligence agreements, pointing to the difficulty involved in achieving such requests without sufficient financial resources and with a high dependence on NGO cooperation (Forest Carbon Partnership, 2013).

Finally, it is important to underline the role of IADB in Colombia. IADB has traditionally been the second-largest international lender to Colombia, after the World Bank. It approved fast-disbursing financing of US$50 million to the country to reduce the country's vulnerability to climate change after the emergency caused by La Niña, and has also played a key role in the detailed preparation of the CTF Investment Programme and of specific investment projects by providing finance and necessary data. Finally, a US$250 million Policy-Based Loan (PBL) provided to support the development of a climate change agenda, including preparation of

the National Climate Change Policy, has been key in providing a comprehensive framework for climate change action in Colombia, as we explain later.

The Colombian government has three coordination points for cooperation funding with IADB: DNP and MOFPC, which are the government entities responsible for coordinating multilateral lending resources, and APC, which coordinates grant resources. IADB works with these official coordination agencies and also coordinates its activities closely with other multilateral and bilateral development aid organisations (IADB, 2011).

4 Implications of the SISCLIMA country arrangement

SISCLIMA offers a platform to effectively coordinate the many different initiatives on mitigation and adaptation to climate change, as well as a framework to introduce climate change issues in the national development agenda. It has been designed to include key stakeholders at national, subnational and sectoral levels, providing an opportunity for the engagement of communities, civil society and research institutions. The system enables a bottom-up approach, whereby the products of specialised working groups are expected to reach relevant ministries and governmental institutions and have an impact in terms of the development of national policies at the highest level through the inter-sectoral committee. The inclusion of an FC shows the commitment to the development of plans and projects and creates a space for financial institutions, private and public, national and international, to engage on how to drive the transition to a low-carbon and climate-resilient economy.

The framework is innovative and visionary, but it is clear that a stronger legal basis is necessary to increase its impact and ensure the active engagement of all key players from government. Currently, SISCLIMA's official basis lies in a CONPES document from 2011 – the type of document that lays out guidelines from DNP but does not make these compulsory. This could be one of the contributing factors for this document's impact lack of reflection in national policy. To better understand some of the challenges currently facing SISCLIMA, it is valuable to look back into the history of this institutional arrangement being pursued in Colombia.

4.1 How did SISCLIMA emerge?

In 2009, the government of Colombia received a PBL from IADB for a programme to support the development of a climate change agenda; this was the first of three possible programmatic operations around climate change. The PBL is a flexible, fast-disbursing (one-year disbursing period) instrument that provides the Colombian Treasury with resources to finance its priority programmes. As part of

its agreement with IADB, Colombia was to implement specific climate activities under its NDP, with results that had to be verified as a condition for disbursement of the funds (IADB, 2009).

The programme has four components: macroeconomic stability, the institutional policy and framework, the mitigation agenda and the adaptation agenda (IADB, 2009) and includes, besides other activities, the formulation and implementation of a national climate change policy, with an emphasis on coordination between Colombia's planning agency and productive sector ministries. This innovative loan with a long-term vision was strongly driven by the IADB climate change coordinator at the time, a Colombian national and former vice-minister of the environment, with international experience in climate change and finance.

Given the objectives agreed in the PBL, the key partner in Colombia was DNP – which is also the focal point for IADB in the country. In line with this, a Climate Change Office was created in DNP to lead formulation of CONPES 3700 and to set climate change policy and the design of the institutional arrangement to support it – SISCLIMA.

Although CONPES was completed in the same year, it had to face some issues before it could finally be published (in 2011), as the new activity in DNP around climate change generated strong frictions with the Climate Change team in what at that time was the Ministry of Environment, Housing and Territorial Development (MinAm), traditionally in charge of this matter. Lack of a clear goal and deadline also contributed to the process taking longer than originally expected.[3]

The marked difference between these two institutions – MinAm was a relative young ministry and DNP had been around and stable since 1958; their power disparity – given the long-lasting degradation of the powers of MinAm; and their historic lack of coordination/communication may have been factors contributing to unclear responsibilities on climate change response between the respective climate change offices, with negative impacts in terms of progress on climate-related matters.

In spite of this, CONPES 3700 made it through in 2011, thanks to support gained as a result of the impacts of La Niña the same year. As planned, climate change was introduced in the NDP 2010-2014. The year 2011 also saw the largest increase ever in terms of allocations to climate change in the national budget, with rising awareness on adaptation, and perhaps more serious commitments from the higher levels of government, including MOFPC, in terms of risk management. This year also saw a change in government and officials inside the government, including a deep transformation in MinAm to become MADS, which allowed the ministry to recovers its focus on environment and sustainable development. Although the new simplified structure of the ministry offers it the chance to be more effective in its tasks and includes a Climate Change Directorate, these changes have also generated stresses, with various changes in personnel and delays/difficulties in starting performing all its functions. Unfortunately, the Climate Change Office in DNP has also seen changes in staff, which inevitably affected activities and perhaps the impact of CONPES itself.

Following publication of CONPES 3700, which helped define responsibilities across the different ministries, MADS developed a draft decree to officialise SISCLIMA – a legal paper that can be approved by the presidency and that provides an enforcement framework. The decree approved by MADS and DNP

[3] http://www.ggbp.org/case-studies/colombia/development-conpes-3700-%E2%80%93-institutional-strategy-articulation-policies-and

obtained support from all the required ministries through a number of meetings and dialogues led by the MADS Climate Change Directorate; however, the presidency finally rejected the decree in summer 2014: its legal advisory team found various legal issues within the draft unacceptable. For example, many have criticised the number of committees proposed for SISCLIMA, suggesting they might not be necessary and could make implementation very difficult.

The presidency suggested a law would be the best alternative to institutionalise such a system, and thus a climate change law is now being pursued. This law will aim not only to institutionalise SISCLIMA but also to enable the direction of national budget resources towards mitigation and adaptation activities. This process will require the engagement of Congress, which has so far remained for the most part outside the process.

Political support has been built among sectoral ministries, which now have a clearer understanding of the system for operationalising climate actions. However, this has taken a considerable amount of time. Since the formulation of CONPES 3700 in 2009, five years have passed without its full institutionalisation. While it has gained some important positive momentum, the process involved in passing legislation means it could take at least two more years before SISCLIMA is embodied in a climate change law (Interview, GLOBE Colombia, 2014).

4.2 Modalities of working

The FC within SISCLIMA has played an active role within the emerging institutional arrangements. The committee is clear on its key role in coordinating finance and has been encouraged by the prospect of international climate finance flows. While most of the work so far has been on international initiatives, it is thought that in the future the FC will have a bigger role in coordinating public and national investments (interview, DNP Climate Change Office, 2014).

The FC is unique in its efforts to coordinate climate finance in Colombia. Prior to this time, the APC undertook most coordination on international climate finance. The FC has therefore represented an important step forward, and, with the participation of the APC, as well as the Treasury and the private sector, the committee expects to integrate and better coordinate all potential sources of finance at both national and international levels. The FC has recently started to put efforts into coordinating international support directed to readiness activities, by initiating efforts to steer the impact of international support that is traditionally overlapping and disconnected from national priorities. In addition, it has started to discuss matters related to the GCF.

Equality important has been the role of the Committee for International Affairs under SISCLIMA, lead by MFA. This committee has been a driver of progress in climate change action and narrative in the country, as leading representation of Colombia on international climate change negotiations, MFA has developed good communication channels with climate change actors in MADS and DNP. The committee has effectively translated opportunities arising from the international climate change landscape, such as the GCF, into the national context, encouraging and capturing interest on climate related issues. The Sectoral Committee (with mitigation and adaptation strategy representatives) have also been active through the design of PNACC, ECDBC and REDD+. Unfortunately, other bodies involved in SISCLIMA have been less active. The Information Committee is perhaps the one that has progressed the least (with close to nothing achieved). The entity responsible for this committee is IDEAM, which has been criticised for its lack of action; however, there are also strong suggestions of capacity constraints in

IDEAM given its historically low budget for an extensive range of activities. For example, IDEAM is currently preparing the Third National Communication to the UNFCCC and Colombia's input into the Biennial Assessment. The lack of progress in this cross-cutting committee has impacts on the process of stakeholder engagement and on raising climate change awareness, which are areas critical in Colombia to building support for climate change initiatives. The Subnational Committee also remains fairly inactive. The inactivity of these two committees diminishes the whole process, creating a gap between the significant progress made at ministerial level and the relatively low level of awareness and capacity at regional level, where activities need to be actually implemented.

4.3 Stakeholder engagement

Spaces for stakeholder engagement are provided under the proposed SISCLIMA. In theory, local communities, NGOs, the private sector and subnational governments can provide direct inputs into proposals and plans through multidisciplinary working groups under the sectoral, subnational or international affairs sub-commissions of SISCLIMA. Additionally, they can input through advisory groups and can participate as guests in some meetings of the FC and the Inter-Ministerial Committee.

In practice, so far (and given SISCLIMA is not fully functional), stakeholders have been engaged through numerous workshops for specific areas of work, like forestry, NAMAs and the formulation of national strategies such as the CLCDS. Multiple workshops have been carried out with local communities; extensive work has been done in preparation for these, although there has been a general feeling that these workshops have not been particularly effective in terms of taking on the voices of civil society and that a lack of widely available information has made the process very difficult. Likewise, public consultations have been carried out, but in many cases the timeframes are too short to enable good-quality inputs (interview, Ambiente y Sociedad, 2014). In general, there seems to be a sense of distrust between these stakeholders and the national government. Much more work is needed in building strong lines of communication with feedback channels.

The FC has at the moment a variety of representatives, but there is currently no seat for subnational governments, local communities or NGO representatives. When questioned about this in an interview earlier this year, DNP as FC Secretariat expressed the importance of making concrete progress with the work before expanding the range of people represented. However, links seem to be particularly weak between the government and NGOs, which have not been active participants in the process. Some argue that the current focus on risk management and finance represents a challenge to the participation of many NGOs, which lack of understanding/knowledge on these issues and need extensive capacity-building. In addition, these organisations are yet to be well coordinated among themselves.

In general, there is a feeling that the government has not actively engaged civil society effectively and throughout the process, and it is thus missing from important dialogues; the numerous workshops do not seem to be having any real impact on communities and on the matters under discussion. Building awareness and understanding of climate change is urgently needed to address the large gap in knowledge and understanding of climate change issues among the general public. This underscores the need for stronger support and improved communications, especially with the more vulnerable communities.

On the other hand, the private sector has started to become engaged, and good communication processes are being built with private commercial banks. The

Asociación Bancaria y de Entidades Financieras de Colombia (ASAOBANCARIA; Banking Association of Colombia) has been an active member of the FC, and individual banks are continually expressing an interest in participating. However, other private sector actors, such as those from industry, have not been actively involved so far; given the importance of the extractive industries and their power in the Colombian economy, this may well act against progress on climate change issues. The FC is aware of the need to bring these actors more into the process, and invitations have been sent to representative associations, rather than individual companies, in other to have a consolidated voice from each industry represented. Small, medium and micro enterprises are not being considered at present.

4.4 Challenges

DNP in 2009 not only designed institutional Colombian action on climate change (SISCLIMA) but also made a detailed analysis of the challenges that needed to be tackled and that the proposed system is expected to address. These challenges were grouped into two main areas: lack of coordination to plan and develop actions; and lack of knowledge or failure owing to lack of information. Although there has been progress in terms of efforts towards better coordination, little has been achieved in relation to increased information since the publication of CONPES in 2011. A more recent study on the barriers to climate finance access and management in Colombia carried out by UNEP in 2014 identified as critical points the instability and weakness of public institutions; the lack of coordination and consolidation of policies and the legal framework; and the need to strengthen institutional capacity. The fact that most of these barriers are the same as those identified in 2009 points to relatively low levels of progress in the past four years towards strengthening Colombia's national framework on climate change.

However, it is clear that Colombia fully understands these weaknesses and barriers, and actions are being taken to address them. Numerous analyses and studies have taken place to understand Colombia's wide range of vulnerabilities and opportunities for action; to define responsibilities across different ministries aiming to mainstream climate action; to comprehend international support for readiness activities; and to work on advancing formulation of the CLCDS and the CCNAP. Nevertheless, rather less has been translated into concrete actions. Climate change has not been truly mainstreamed into government decision-making: for example, the energy ministry does not include low-carbon considerations in its energy matrix projections, and, as indicated in a Green Growth Best Practice (GGBP, 2014) report, it does not have the obligation to do so, nor does it see the benefits. In addition, UNEP has identified an implementation gap as an important barrier, and the lack of a national implementing agency underlines this issue.

The deep understanding built has made clear the need for a strong legal basis for a climate change framework or a climate change law. Active engagement within the government by DNP, MADS and the MFA has constructed a base of support within sectoral ministries. This has included the identification of mutual benefits on the agenda as a way to engage them on climate-related actions; increasing the profile of climate change issues, given recent environmental problems in various regions in Colombia that have been widely presented in the media; and the international drive on climate change action (by, e.g., the UNFCCC and the GCF). These have combined to achieve a strong basis for an action plan and government support. The next steps, to build on this momentum, will involve engaging legislative bodies for the definition of a climate change law. This will require leadership and strong engagement with potential 'losers' of positive climate action to avoid negative lobbying with legislators during the process. This will require a stronger engagement with industries, in particular the extractive sector as well as agriculture

and livestock, both with great mitigation potential, high vulnerability and complex social and economic components. The scientific evidence developed could be used as a basis for this process, which also presents an opportunity to develop channels to truly engage a wider range of stockholders throughout the process.

While the institutionalisation of climate change in Colombia takes place, work should continue to progress under the leadership of DNP and MADS, as well as MFA with greater support from the government, to enhance their capacity and politic leadership. This should include efforts to build capacity and awareness within subnational bodies, extend climate actions out of the usual actors and ensure processes are in place for effective stakeholder engagement.

5 Conclusions and way forward

Colombia has made important steps in the coordination of national climate change strategy formulation through the design of an institutional arrangement for climate change action, SISCLIMA. This brings together national and international actors developing work on climate change that, to date, have been spread widely with few inter-linkages. In spite of its informality the FC has started work on coordinating international support, however important improvements are required in terms of transparency of finance flows for climate related activities, including those under national and local governments. Improvements on this front could enable identification of financing gaps.

Dealing with conflicting government's priorities remains a big issue for effective climate change action. In spite of the increasing profile of climate change and its inclusion in the current NDP, the central driver of the economy defined in this plan is mining. The largest share of the national budget goes to mining and energy expansion and infrastructure. This undermines the extent to which climate change issues are taken seriously across government and sends a weak signal to the wider national economy. While there has been much improvement, there is a sense that climate change initiatives are still outside the 'system'. This perception may be reinforced given that SISICLIMA has failed so far to obtain a legal basis and key minister such as energy and mining don't considerer climate variables yet. Identification of mutual benefices is now under way aiming to tackle this issue.

Regional development banks can play an important role in developing climate change policies through programmatic approaches. IADB and the PBL provided to Colombia have played a fundamental role in the development of the national system for climate change and CONPES. The IADB close and long engagement with the national government on a range of issues provided them with valuable understanding and ability to navigate the country landscape, targeting the righ government agencies and issues that need support on climate change matters.

Key characteristic of the PBL are: flexibility, fast-disbursing and programmatic nature, which will enable further funds should the initial targets be achieved. Use of these funds directly provided to government institutions, such as DNP, can help build capacity and generate ownership around a country vision.

Important progress has been made around planning national climate change strategies and generating an evidence base on Colombia's vulnerabilities and climate-related threats. Essential government coordination and support across MADS, DNP and MFA has been created and has gained momentum, largely thanks to international processes that have brought finance and other forms of support to action on climate change (the UNFCCC, the GCF and related readiness support) and the impacts of extreme weather events (i.e. El Niño/La Niña–Southern Oscillation). However, two key gaps will need to be bridged in order to ensure progress stays on track: one between the national and subnational levels and one between the executive and legislative bodies of government. In both cases, there is a large disparity in awareness and understanding of climate change vulnerabilities and opportunities, in one by subnational entities and in the other case by the legislative body.

Subnational bodies have great potential to catalyze climate action but their potential still to be untapped. Under the SISCLIMA concept subnational entities have dedicated committees that provide a space to develop climate change initiatives. However, in practice, greater effort will be required to fully involve subnational bodies at the municipal and community levels so they have a stronger sense of ownership and a better understanding of what is required of them. Subnational entities have perhaps the greater interest in addressing climate change, as they feel the impacts more directly, but increased levels of knowledge sharing, particularly to understand the climate risks facing communities, are required (Guerrero et al., 2013). Channels or processes to better coordinate national and subnational policy and initiatives are required.

Stronger stakeholder engagement of NGOs, local communities, private sector, law-makers, etc. will be needed. There is currently lack of effective stakeholder engagement through all stages of policies, plans and projects. Improving this will be key to build on transparency, country ownership and solid progress that enable transformational changes. Capturing national and international experiences and standards such as those set by international climate funds –e.g. the GCF- could help guide and improve current practices.

Lack of implementing capacity among government entities remains a challenge. Colombia has accessed various bilateral and multilateral finance resources to invest in climate change-related activities. However, the country does not have a national implementing agency for climate change, and has relied heavily on international development partners. In addition, there has been frustration with delays in the disbursement of funds owing to the lack of implementing capacity of government entities, which can increase negative perceptions of climate-related projects and investments.

Improved information outreach is required. Capacity across government entities and the private sector is insufficient to understand the financial opportunities presented for mitigation and adaptation activities, which further reduces implementation capacity. Again, an improved information system is key, and could help reduce reliance on international agencies, which sometimes generate studies and reports but do not build effective knowledge within government.

International support activities, such as readiness, and institutions that provide financial support, such as the GCF, can help addressing the challenges identified above. Capacity- and awareness-building across stakeholders and at subnational level will be key to allow for the effective implementation of climate change strategies and the development of financeable project pipelines. In addition, support for the identification and establishment of a national implementing agency will help build on country ownership and capacity to implement climate-related activities, an area that remains a gap. Key exciting institutions, such CARs, have great potential to support implementation and processes of MRV, however institutional strengthening, clear mandate and improved capacity will be required.

The government is aware of many of these challenges, and is setting up a roadmap to tackle them. Critical will be integrating the implementation mandate for the national climate change strategies into the new NDP for 2014-2018 and balancing this with economic development, which is currently focused on the mining and extractive industries.

This study highlights the importance of individual leadership roles within government to drive and shape institutional arrangements for climate change. Inter-ministerial cooperation and dialogue are also key in building a national vision and mainstreaming issues across the wider government agenda, as well as effectively reflecting international processes and opportunities. However, the cross-cutting nature of climate change requires the rebalancing of priorities and responsibilities, which often proves difficult and takes time as conflicting goals emerge. Programmatic approach and clear definitions of responsibilities, targets and deadlines can help to move the process forward.

The presidential, congress and senate elections that took place this year represent an opportunity to put climate change more firmly on the agenda, with stronger and better-articulated voices, especially in the new NDP and in a national climate change law, but it could also imply need to re-engage with incoming ministers and other new government officials. A positive result will also depend on a more effective stakeholder engagement and ability to capture lessons and channels to feedback through the implementation of the national climate change strategies.

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Appendix 1: Interviews

- **Sebastian Lema:** Subdirección de Desarrollo Ambiental Sostenible, Departamento Nacional de Planeación
- **Diana Hernandez:** Subdirección de Desarrollo Ambiental Sostenible, Departamento Nacional de Planeación
- **Jose Manuel Sandoval:** Coordinator, Colombian Strategy for Low Carbon Development, Ministerio de Medio Ambiente y Desarrollo Sostenible
- **Alejandra Torres Dromgold:** Head, Oficina de Asuntos Internacionales, Ministerio de Medio Ambiente y Desarrollo Sostenible
- **Roberto Mario Esmeral Berrio:** Climate Change Specialist, Climate Change and Sustainability Division (INE/CCS), Infrastructure and Environment Sector, Inter-American Development Bank
- **Mauricio Umaña:** Director for Colombia, GLOBE Internacional
- **Margarita Florez:** Directora ejecutiva, Asociación Ambiente y Sociedad

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