

INVESTMENT IN SUSTAINABILITY



The country embarked on a transition path to protect its resource wealth

Colombia is one of the world's megadiverse countries – rich in natural resources such as water, fertile land, plants and forests...



2.1 billion m³ of renewable internal fresh-water resources



1st most biodiverse country in the world (per km²)



53% of Colombia's land is covered with **natural forests**



7th rank in Latin America for biodiversity & habitat protection

...but also in coal, oil and gas, which has been a strong foundation of the country's economy for a long time...

...But now Colombia's has embarked on a new path towards sustainability:



Colombia's re-industrialization policy

Objective: **Transition** from an extractivist economy **to a knowledge-based, productive and sustainable economy**

Aims to develop high-value and diverse manufacturing industries in Colombia, with interventions such as public procurement opportunities for re-industrialization, and promoting investment through joint ventures



Climate change & Biodiversity

The **Climate Action Law** (Law No. 2169 of 2021) enshrines Colombia's Nationally Determined Contribution (NDC) into law, including:

- Protect and conserve 30% of the land by 2022;
- 51% reduction of emissions by 2030;
- Zero net deforestation by 2030.

Colombia is one of few countries that introduced a green taxonomy. The government's **multiannual investment plan 2022-2026** commits **USD 27.8 million** to climate action, internationalization & productive transformation, including activities that take advantage of biodiversity and ecosystem services, and contribute to building resilience to climate shocks.



Environmental rights

- Colombia is a signatory to the **Escazú agreement**, which promotes the rights of environmental defenders
- The government's multiannual investment plan commits **USD 6.9 million** to projects that contribute to territorial planning around water and environmental justice



Human rights

- Colombia has implemented the **Human Rights National Strategy 2014-2034** to guarantee that business activities in Colombia are respectful of human rights and contribute to the country's development
- The government's multiannual investment plan commits **USD 180.7 million** to guarantee human dignity, the exercise of freedoms and social development

Investors from many sectors benefit from Colombia's location advantages



Energy transition

(page 5)

- World-class natural resources for renewable energy production
- Successful auctions help satisfy fast-growing energy demand
- One of the region's most cost-effective investment destination



Bio-based economy

(page 14)

- Enormous resource potential in the world's most biodiverse country*
- Sustainable opportunities to replace fossil inputs in numerous sectors
- One of the world's few voluntary biodiversity credit markets



Resource management

(page 22)

- Colombia is a pioneer in circular economy strategies
- One of the region's highest recycling rates
- A highly water-rich country with little water stress



Environmental protection

(page 30)

- World-class forest resources and carbon-capture potential
- Fast-advancing carbon market
- Attractive investment incentives

*per km²

ENERGY TRANSITION

EJECUTADO POR:





Solar Energy

Colombia has a daily radiation **60% higher than the world average**, the regions with the greatest potential for solar are **La Guajira, San Andres, Bolivar** and **Boyaca**



Hydrogen

By the end of 2030, **investment of USD 2.5-5 billion is required** to meet the demand of **green hydrogen**



Wind Energy

Colombia has an attractive offer for both **onshore** and **offshore** energy generation projects, particularly in **La Guajira** where wind speeds reach **9 m/s or double the world average**



Smart Grids

With its **rapid expansion of electricity consumption and renewable energy projects**, Colombia presents attractive opportunities to investors within **energy-saving technology**

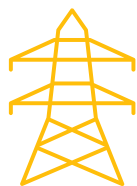
Colombia's policies foster clean technology opportunities

Colombia has introduced a range of government initiatives that support renewable energy projects:



Just Energy Transition Policy (CONPES 4075 of 2022)

Enables the development of new **technologies** such as wind energy, geothermal energy and hydrogen production, and integration with the national grid



Colombia's **Nationally Determined Contribution** (NDC)

Aims to **mitigate 11.2 Mt CO₂e from the energy sector by 2030** by increasing the **energy efficiency** of buildings and industry and reducing energy demand with **emerging technologies**

Non-Conventional Renewable Energy Law (Law 1715 of 2014)

- Encourages the integration of alternative energy in the energy mix by incentivizing private investments in renewables

Law on Colombia's Just Energy Transition and extension to Hydrogen (Law 2099 of 2021)

- Modifies the regulatory framework for power generation by legally **establishing green and blue hydrogen and geothermal as non-conventional** renewable sources

Decree 1476 of 2022 regulating the technical aspects of hydrogen in Colombia

- Adopts provisions aimed at promoting **innovation, research, production, storage, distribution and use of hydrogen**

Colombia is advancing fast in its energy transition



Colombia is the **3rd ranked country in Latin America** in the **Energy Transition Index 2021**, surpassing Brazil and Chile, according to the World Economic Forum



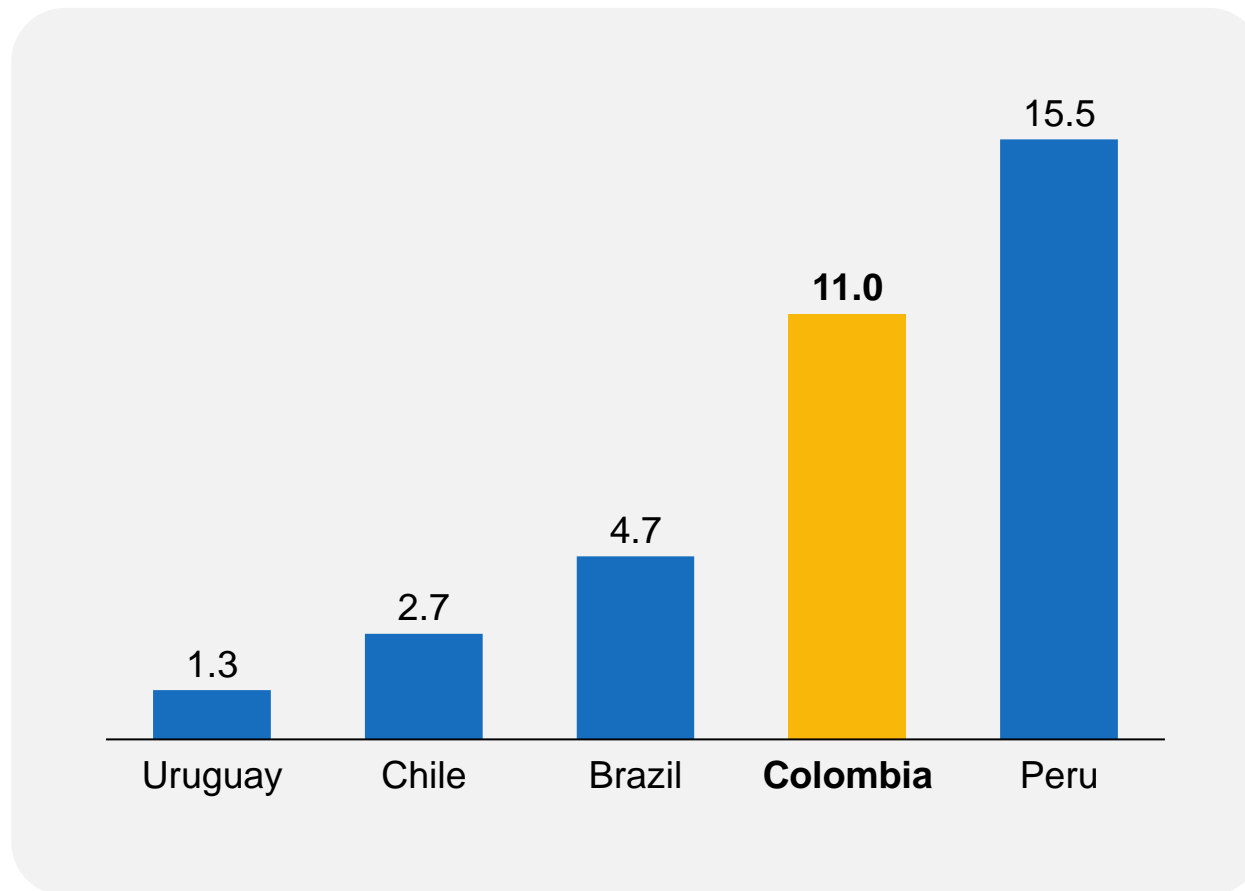
The Mining & Energy Planning Unit (UPME) forecasts **35 GW of renewably energy capacity installed by 2032**:

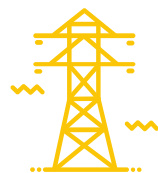
- 16.6 GW of solar energy (39% of energy mix*)
- 16.0 GW of hydroelectric power (35%)
- 4 GW of wind energy (9%)

* Includes 7 GW of thermal energy (17%)
Source: WEF, UPME, IEA, OurWorldInData

Colombia: one of the fastest growth rates in energy demand

% growth of primary energy consumption, 2021





Law 2294 of 2023

(National Development Plan Law)

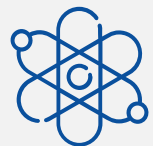
- Colombia will hold **a reliability charge energy auction**, contemplated for the period December 2027 – November 2028
- **Declarations of interest** to participate in the energy auction will start on **August 24, 2023**
- **Bid Bonds** (guarantees that cover participation in the auction) must be delivered until **October 12**
- **Offers** participating in the auction must be delivered until **November 14**
- The award process will be carried out, including the **announcement of results, on November 15**
- Further information available at: <https://www.xm.com.co/>



Offshore wind power project auction 2023

- Between four and six **offshore wind power generation projects** will be auctioned and developed in the department of Atlántico, being **the first South American concessions** for offshore wind
- The bidding terms and conditions are expected to be published in August [here](#)

Colombia is one of the most cost-effective locations in Latin America



Expected to have the **fourth lowest cost** of green hydrogen production in 2050, **between USD 0.7-1.1 / kg H₂**

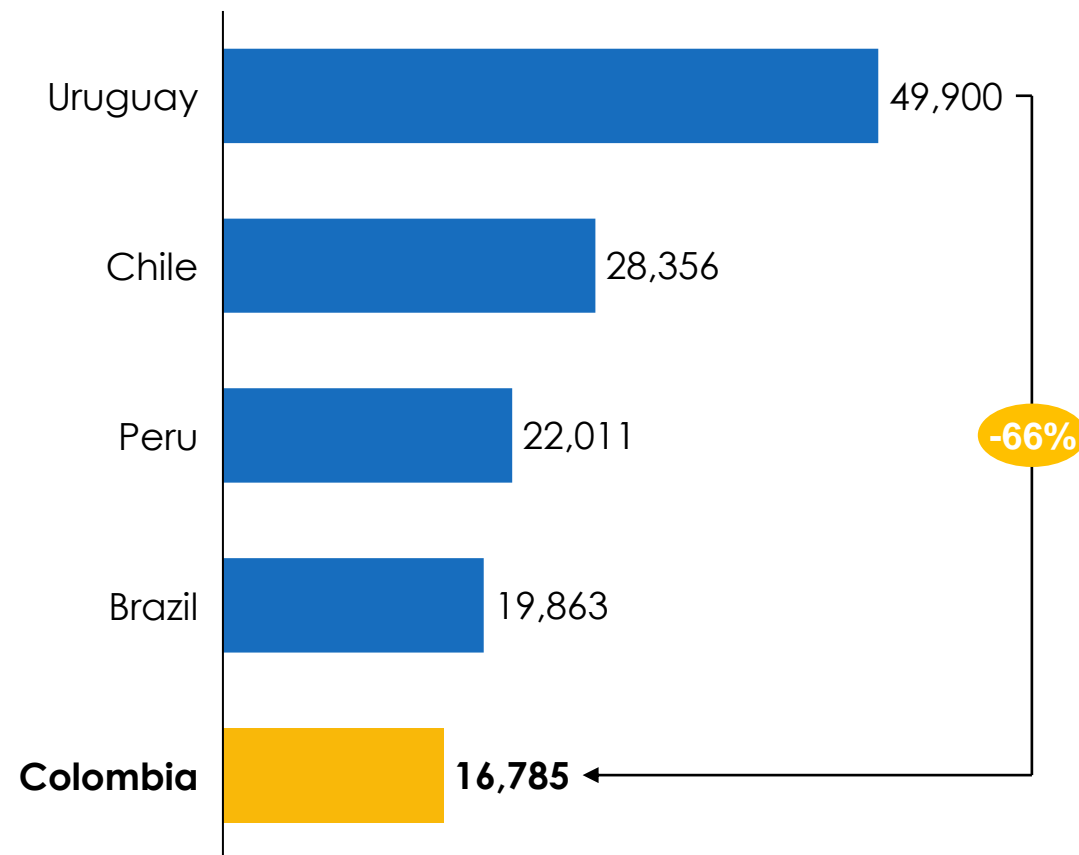


Cost of solar power generation by levelized cost of energy is **45.6 USD/MWh** (2020)



Cost of wind power generation by levelized cost of energy is **34.5 USD/MWh** (2020)

Average annual labor cost for electrical engineers
(USD/year, 2021)



Colombia offers various financial and non-financial support

Colombia offers a range of financial incentives to support renewable energy investments:

- CONPES 4075 of 2022 includes incentives that have an indicative value of **USD 66 million** for the development and implementation of ninety-seven actions that will allow the country **to consolidate and advance in its energy transition**
- **The Energy Transition Mission of the Science Ministry** is currently working with instruments such as **project funding, programs** and **tax benefits**. For energy transition, there are plans to offer **co-financing opportunities** in the future. Public calls for proposals can be found under this [link](#).
- **Incentives** of Laws 1715 of 2014 and 2099 of 2021 related with FNCER are **extended to green, blue and white hydrogen**



Tax incentives for investments in non-conventional energy sources:

- Income tax deduction (50% of investment value)
- Exemption from value added tax
- Tariff exemption
- Accelerated depreciation



Law 1955 of 2020, Sale of renewable electricity:

The sale of electricity from non-conventional sources by generating companies is **exempt from income tax until 2032** if emission certificates are issued in accordance with pertinent regulations and at least 50% of certificate sales are invested in social benefit works in the region of the company's operations.

Investors benefit from a powerful energy stakeholder network

Government bodies



Academic institutions



Major foreign investors



Industry associations



Private sector service partners*



*View our full Private Sector investment Services Directory: [Link](#)

EJECUTADO POR:



Ecopetrol, Colombia's largest company by revenues, and **Total Eren**, a leading renewable energy Independent Power Producer based in Paris, announced that they are **partnering to implement the "Rubiales" solar photovoltaic (PV) park**.

Ecopetrol selected Total Eren to **develop, finance, build and operate the approximately 100 MWp solar park** after a closed competitive process. The project will be owned by Total Eren (51%) and Ecopetrol (49%). It will be the **largest self-generation solar park in Colombia** and will **reduce 24,000 tons of CO₂ per year**.



Hitachi Energy, the Japanese sustainable energy solutions firm, established a new headquarters in Bogotá in 2022. The new facility will focus on the **manufacture of protection and control panels**.

Hitachi Energy has been involved in several large-scale energy transmission projects in Colombia, integrating technologies from its business units **Grid Integration, Grid Automation and High Voltage**.

The company plans to continue participating in many of the awarded projects in Colombia's renewable energy auctions through developing transmission systems and supplying high voltage equipment.



Enel Green power, a subsidiary of Italian energy company Enel, moved forward with the construction of two important projects in 2021.

Enel Green Power secured **firm energy obligations** for projects in Colombia's 2019 **reliability charge auction**, a scheme that awards **compensation to power producers for supplying a steady flow of electricity** during pre-determined periods.

Besides La Loma announced in 2021, the Tumawind and Chemesky wind projects and the El Paso solar project are also among the projects.



Local gas transporter **Promigas** and Japan's **Sumitomo** signed an **agreement to jointly invest in hydrogen mobility**. In the first phase, the alliance will focus on studies to determine opportunities and challenges for the production, distribution and sale of hydrogen for electric vehicles in Colombia and Peru.

"This agreement ... seeks to identify market segments and companies in the region for the implementation of commercial pilots for electric mobility with hydrogen, an energy source that is increasingly relevant in the global economy," said Promigas President Juan Manuel Rojas.

BIO-BASED ECONOMY

EJECUTADO POR:





Biomass

Colombia's production of numerous large-scale crops offers a constant supply of biomass that can be used for energy production



Bio-based fertilizers

Opportunities exist for investments in bio-fertilizer manufacturing, research and development, and distribution facilities



Bio-pharmaceuticals

Investors can take advantage of Colombia's rich biodiversity to develop, market and export unique natural cosmetics and pharmaceuticals made from bio-based ingredients



Bio-plastics

Colombia's strong chemical manufacturing sector and significant biomass feedstocks make the country an attractive investment destination for bio-plastic manufacturing

National Bioeconomy Strategy:

Encourages investments and public-private partnerships in the **green chemical and biomaterial sectors** for the development of biotechnology, biosimilars, phytotherapeutics, bio inputs, zero waste solutions, biorefineries, biofactories and bioenergy



Major objectives

- Bioeconomy to contribute **10% to GDP** by 2030
- **2.5 million new jobs** by 2030
- **More than 500 bioproducts** including new active ingredients, bioproducts in pre-commercial and commercial stages, and extensions of registrations to new international markets
- Support Colombia's regions in **the development and consolidation of value chains and clusters** oriented at developing of regional bioeconomies



National Development plan 2022-2026

- Colombia will prioritize initiatives around **bioeconomy, natural ecosystems, and sustainable territories**
- **Foster a national bio-inputs and bio-products industry** to further improve agricultural production

There will be **calls for R&D for the bioeconomy**, and personnel training to contribute to the generation of knowledge in various areas such as biological sciences and the study and valuation of biodiversity.

Colombia offers investors access to diverse feedstocks

The **immense wealth of Colombia's biodiversity** presents numerous opportunities to harness the country's natural ingredients and feedstocks for various sectors such as **bioenergy, sustainable agriculture and forestry, eco-tourism, bio-research, green chemical production or biopharmaceuticals**



#3 Producer of biodiesel and ethanol in Latin America



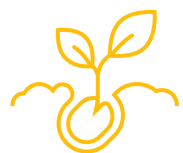
43 million tons of residual biomass potential



Blending levels above the internationally established average:
10% level of biofuel and fossil fuel blending
10% level of ethanol and gasoline blending

Feedstock	Tons of waste	Resulting bio-chemicals
Plantain	20,414,043	Starch, ethanol, amylases, cellulases, and pectinases
Sugar Cane	15,534,591	Bioethanol, acetaldehyde, ethylene, and butadiene
Banana	11,550,891	Proteins, Peptides, amylases, cellulases, and proteases
Panela Cane	9,513,430	Sucrose, Molasses, polyphenols, citric acid and malic acid
Rice	6,282,407	Bioethanol, lactic acid, bioplastics and enzymes
Coffee	5,051,248	Cellulose, lignin, and hemicellulose
Corn	1,936,479	Lactic acid, polylactic acid (PLA), and bioethanol
Palm Oil	1,660,074	Biodiesel, bioplastics, surfactants and lubricants

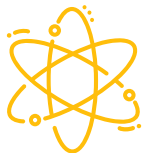
Colombia has pioneered voluntary biodiversity credits



Colombia Voluntary Biodiversity Credits

- Colombia introduced a biodiversity credits market in 2016, when **Terrasos** (Developer and operator of biodiversity conservation and habitat banking projects) partnered with the NGO **Fundepúblico** to launch the first Habitat Bank in Colombia and Latin America, located in the Meta region with an area of approximately 1,500 hectares.
- **Habitat Banks** are private or public lands managed for their high natural resource value. In exchange for protecting, managing, and continually monitoring the area.
- The party responsible for the habitat bank may enter into agreements with third parties so they can meet their environmental obligations and offset other environmental impacts.
- The first such **Voluntary Biodiversity Credit (VBC)** was first issued by the Bosque de Niebla-El Globo Habitat Bank, dedicated to the **conservation of native species** in the High Andes, such as the spectacled bear, the yellow-eared parrot or the black-and-chestnut eagle.
- VBCs are open to acquisition by individuals and companies seeking **to generate a positive and effective contribution for the conservation of threatened ecosystems.**
- Each VBC represents **30 years of measurable biodiversity gains** in this conservation project. For the Bosque de Niebla-El Globo Habitat Bank, VBCs are **priced at USD 30, corresponding to 10 m² of forest.**

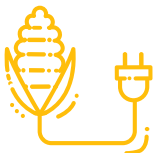
Colombia offers investors numerous support programs



Incentives for investments in research, technological development or innovation: Annual income tax rebate of 30% of investments made in research, technological development or innovation



Biodegradable and reusable bags certified by the National Environmental Licensing Authority **do not cause** the National Consumption Tax on Plastic Bags



Law 939 of 2004: Purchase of domestically produced biofuels of plant or animal origin for use in diesel engines for blending with Motor Fuel Oil **is exempt from VAT**, such as:

- Bioethanol
- Biodiesel
- Biomethane. Methanol produced from Biomass.
- Biodimethylether
- Synthetic biofuels
- Biohydrogen
- Pure Vegetable Oils



Bioeconomy Project Acceleration Mechanism (MAPBIO):

- Accelerating projects located in the Pacific and Amazon regions in the **processed food, agricultural, chemical and health sectors** that strengthen the **optimization of the sustainable use of biodiversity and biomass**
- Each beneficiary project will have up to **USD 35,000 to move from the advanced stage of research to the commercial stage**
- Supported by the Ministry of Science, Technology and Innovation, GGGI and iNNpulsa

Investors benefit from a powerful bioeconomy stakeholder network

Industry associations



Research & Academia



Universidad de América



Foreign investors



Genomma Lab. Internacional

natura bien estar bien

Government bodies



Ministerio de Ambiente y Desarrollo Sostenible



Ministerio de Minas y Energía



Colombia continues to attract major bioeconomy investments



France's largest electric company and a Colombian-American billionaire are developing a major **biomass project in Colombia** as the country's leadership moves to **boost power from new energy sources**.

EDF Colombia and Refocosta partnered to build the **largest biomass power generation plant from the eucalyptus crop**.

The plant is expected to **start operating in 2025** and will contribute **25 megawatts of energy to Colombia's grid**, which is enough to power about **20,000 homes**. The power generated by the plant will be purchased by the state oil company Ecopetrol.



Mexico-based NBF, a manufacturer of organic products in the processed food and body care industries, announced in 2021 an **investment of USD 8.4 million to create 50 new jobs** with a **new avocado oil production plant** in Palmira.

The facility will produce products from avocado oil for both the company's Healthy Foods and Body Care lines; including **hand cream and moisturizing face cream**. The plant will process **400 tons of fruit per week**, with an **annual extraction of 3,000 tons**.



Japanese **Sun Ace Group** acquired Producciones Químicas in 2016, investing in two metal chemistry plants in Colombia. The company operates in Colombia with **ISO 14001 Environmental Management Systems** and certification in Good Manufacturing Practices.

In 2022, operations begin at a new plant located in the La Cayena Free Trade Zone with an **investment of USD 5 million and the generation of 60 jobs**. The facility has increased the group's production of **stearates and stabilizers** for PVC for the Colombian and international markets.



Spain-based agrochemical company Grupo Agrotecnología opened a new branch in Colombia as part of the company's internationalization strategy to reinforce its presence in Central and South America, in addition to its offices in Brazil, Mexico, Chile and Peru.

The company is a leading producer of **biostimulants, biopesticides, biofertilizers and a pioneer in the Zero Residue Strategy** that contributes to sustainable agriculture, free of phytosanitary residues.

RESOURCE MANAGEMENT

EJECUTADO POR:





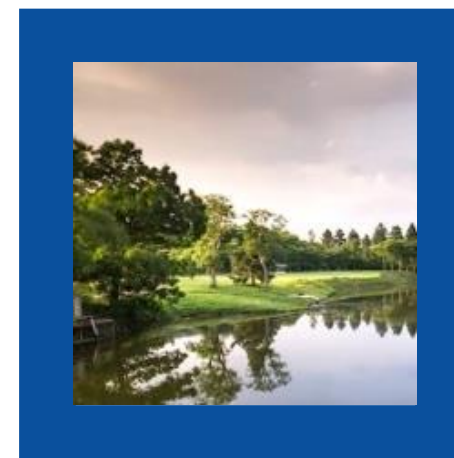
Plastic products recycling

Collecting and transporting useable waste and making it suitable for being reused in new products or materials



Resource-efficient technologies

Opportunities to utilize energy-efficient machinery, water-saving technologies, and waste reduction technologies in manufacturing operations



Water management and treatment

Cleaning of freshwater sources and upgrading water treatment and sewage networks

Circular economy policies create new market opportunities

Colombia has introduced a range of initiatives to support water management and recycling:



Colombia is in the process of adopting a circular economy approach to make the most of materials and resources in order to keep them as long as possible in the economy, ensuring that **94% of the country's municipalities adequately treat their solid waste** and that public sanitation **recycling activity reaches 25%**



Colombia is formalizing its signature to the **Global Commitment**, an initiative led by the Ellen MacArthur Foundation with the long-term objective to ensure **100% of plastic packaging** is reusable, recyclable or compostable



Colombia's water management goals (National Development Plan 2022-2026)

A strategy for the treatment of **industrial wastewater will be implemented** to prevent methane emissions and cover the energy demand of wastewater treatment plants

A key goal is to ensure that **60% of urban wastewater will be treated**

it is expected that more than **3.5 million people** will receive new access to adequate wastewater management solutions

High availability of solid waste & plastic by-product inputs for recycling

Value of plastic products manufactured in South America

USD millions, 2020



19% of the population could benefit from waste collection services

In 2021, an average of **33,939 tons/day of solid waste** was generated in Colombia, representing **an increase of 4.2%** with respect to 2020.

Colombia requires further investment from companies who wish to benefit from access to **plastic and other solid waste materials** to be used as **inputs for sustainable product manufacturing**

Companies can access enormous renewable freshwater resources



A highly **water-rich country**, water resources are under only **4.4% stress** based on the ratio of freshwater withdrawals by industry versus renewable freshwater resources



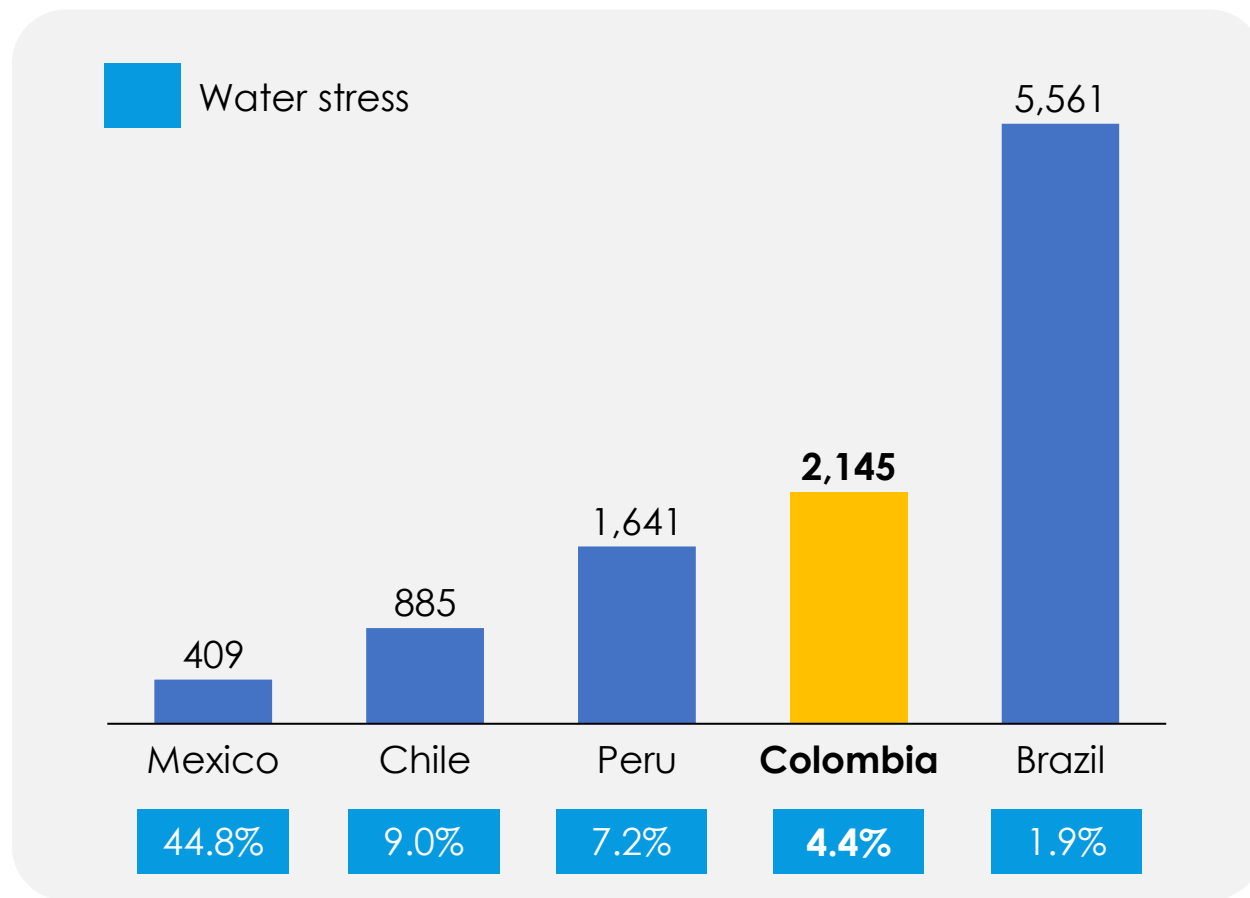
80% of the population could benefit from a wastewater treatment plant connection



27% of the population require safely managed drinking water services

Renewable internal freshwater resources & Water stress¹

Billion m3 (2020) and % (2020)



¹ Water stress is defined as the ratio between total freshwater withdrawn by all major sectors and total renewable freshwater resources, after taking into account environmental water requirements

Source: World Bank Group, FAO

Colombia offers investors numerous support programs

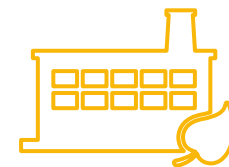
Colombia offers a range of financial incentives to support the water management and recycling sector:



Importation of equipment or machinery for water management, recycling and waste management, or with a positive environmental impact, is **not subject to VAT**.



The **national tax on single-use plastic products** used for packaging, wrapping or packing goods **shall not be caused** when the taxable entity presents the Circular Economy Certification - CEC.



Industrial free trade zone regime

Benefits to businesses involved in the production of goods or the provision of services located in free trade zones:

- **Single income tax rate of 20%** until 1st January 2024 (after that, 20% on the proportion of income from exports of goods and services)
- **No customs duties** (VAT or tariffs) levied or paid on goods introduced into the free trade zone
- Advantage of **re-exporting to third-party countries**
- **Goods** of foreign origin introduced into the free trade zone may remain there indefinitely
- **VAT exemption for raw materials, parts, inputs, and finished goods** that are sold from the national customs territory to industrial users of free trade zone goods or services

Investors benefit from a powerful stakeholder network

Industry associations



Academic institutions



Government bodies



Foreign investors





Apropet, a PET recycling company and subsidiary of Peruvian San Miguel Industries, announced its investment of **USD 15-20 million** to expand operations at its **recycling facility in Bogota**.

The company stated that this expansion will be directed towards the **purchase of machinery and technology** to make its operation more efficient.

The company is dedicated to the collection of PET for the **treatment and industrial reuse of recyclable resins** that are useful in the manufacture of plastic containers such as bottles but also in the **production of recycled raw plastic and resin materials**.

Ingram Micro, a subsidiary of Hainan Airlines Group, opened a new **IT Asset Disposition (ITAD)** processing plant. The new, full-service facility provides a full range of ITAD services including data sanitization as well as end-of-life **asset collections, processing, remarketing and recycling**.

The **Bogotá facility** extends the company's commitment to provide directly-managed services on a global basis as Ingram Micro continues the strategic expansion of its ITAD presence into **underserved markets**.

Idrica, an international water technology company, opened a regional office in Barranquilla in 2021.

This company's services focus on the supply of drinking water to **23,000 customers** and manages wastewater sewage treatment for **7,000 customers**.

The project includes the operation of **8 drinking water treatment plants** and **3 wastewater treatment plants**.

US-based container glass manufacturer O-I Glass will **invest USD75 million** in its Zipaquirá facility in order to expand production to 500 million bottles a year.

O-I's Zipaquirá plant has been awarded the **Gold Category for energy efficiency management** carried out within the framework of its Nationally Appropriate Mitigation Action for Climate Change (NAMA) industry project.

This has included reducing its carbon footprint by implementing **energy savings in furnaces and compressed air systems, investing in high efficiency motors, and investing in energy-efficient compressors**.



ENVIRONMENTAL PROTECTION

EJECUTADO POR:





Reforestation & conservation

Opportunities to invest in reforestation initiatives in deforested and degraded areas, afforestation projects, and responsible management of forest resources

- Due to its enormous forest resources, Colombia has a carbon **capture potential of 80 million tons of CO₂ per year**
- **Colombia aims to protect 59.7 million hectares of natural forest** representing 52% of the continental and insular territory and 66% of Colombia's amazon forest
- Colombia is planning to **restore more than 960,000 hectares of land by 2030** and reduce deforestation by 50,000 hectares per year by 2030
- Colombia has **7.5 million hectares** with high aptitude for the development of **forest plantations** and more than **10 forest species of rapid growth** and high potential to increase their yields
- In 2020, GDP of forestry reached a value of **USD 733 million** and accounted for **3.1% of GDP** of all agriculture, livestock and fishing activities

Colombia's policies encourage environmental protection investments

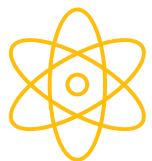
Colombia has introduced a range of government initiatives that foster environmental protection:



- **Law 1819 of 2016:** Created the carbon tax as an instrument to discourage the use of fossil fuels and stimulate their more efficient use



- **Law 2173 of 2021:** Mentions the areas of life creation and articulation to plant native trees in established zones



- **Law 2169 of 2021 (Climate Action Law):** Establishes minimum targets and measures to achieve the country's carbon neutrality, climate resilience, and low-carbon development



Colombia's revised nationally determined contributions (NDCs) includes reaching **net-zero natural deforestation by 2030**, through:

- **Restoring** approximately 963,000 hectares of forest area by 2030
- Establishing 370,000 hectares under **sustainably managed plantation forests**

Colombia's carbon market is making significant advancements

Colombia has different schemes in place to obtain Green House Gas emission reduction certificates and is planning to establish a mandatory carbon market by 2030

Carbon Tax scheme

Companies can be relieved from up to 50% of the obligatory Carbon Tax if they offset their emissions through emission reduction certificates (carbon credits)

Voluntary market

Companies may further offset or neutralize their carbon footprint through the purchase and sale of emission reduction or GHG removal certificates

Carbon offset demand in 2021: 42,3 million tons of CO₂

Carbon Tax offsets

In 2021, 18,9 Million tons of CO₂ (**44,7%**) were credited with this mechanism

Voluntary market

In 2021, 23,4 Million tons of CO₂ (**55,3%**) were credited with this mechanism

Voluntary projects may include:

Supply: Projects in sectors such as forestry, energy, waste, industrial etc., that demonstrate real emission reductions that are converted into emissions reduction certificates

Demand: Voluntarily offset the emissions that the buyer generates to apply to economic benefits (**voluntary**) or comply with eligibility requirements for the non-causation of the **Carbon Tax**

Currently 188 certified projects are available:

Sector:	Projects:
Afforestation/Reforestation (A/R)	73
Energy	45
REDD+*	43
Waste	14
Industries	9
Transport	4

Source: Asocarbono *REDD+: Reducing emissions from deforestation and forest degradation

Colombia offers environmental investors numerous support programs

Financial support for environmental protection and carbon capture activities

- Companies that **invest in environmental control and improvement** (including carbon capture, utilization and storage (CCUS) projects) will be entitled to **deduct 25% of the value invested** from their income in the taxable period in which the investment was made, without prejudice to the deduction of the same.
- The requirements for **non-causation of the carbon tax** were originally established by Laws 1753 of 2015 and 1819 of 2016, which was recently modified by Law 2277 of 2022

Financial support for sustainable forestry practices



Resolution 379 of 2022, Reforestation and Conservation Forestry Incentive Certificate (CIF):

- Recognition of 50% (direct cash contribution) of the costs of establishing and maintaining the forest plantation up to the fifth year.
- Incentive granted by the State to landowners for the conservation of little or no logged natural forest.
- Refers to a cash bonus on the costs of planting forest plantations for protective-productive purposes on forested land.

Investors benefit from a powerful stakeholder network

Industry associations



Government bodies



Ministerio de Ambiente y Desarrollo Sostenible



Ministerio de Hacienda y Crédito Público



Private sector partners



Colombia allows sustainable investors to make a strong impact



Smurfit Kappa's largest global forest plantations are in Colombia, totaling over 67,000 hectares. This is divided into 64% for commercial plantations, 31% for protected natural forest and 5% for infrastructure.

Since 2003, Smurfit Kappa's Colombian forest plantations have operated under a management system that has been **certified in accordance with the Forest Stewardship Council.**

The company has put resources towards genetic improvement of the planted tree species (pine and eucalyptus), their phytosanitary protection and sustainable nursery and silviculture practices, which allows greater productivity per amount of land.

Source: Smurfit Kappa, Novartis



Switzerland-based **Novartis** invested in reforestation through their Hacienda El Manantial forestry project located in the municipality of Puerto López, Meta.

There are **3,600 hectares with an approximate net plantation area of around 2,200 hectares.** Of these, **2,600 hectares are being reforested with more than 3 million trees of 15 native and traditional species** such as acacia, rubber and other timber species.

Hacienda El Manantial also has **1,000 beehives with more than 60 million bees that currently produce honey.** By conserving the bee population, not only the pollination of local vegetation is guaranteed, but also beekeeping allows the production of a **value-added product that generates employment** and economic benefits for local communities **creating 300 direct jobs** in nursery operations, planting, pruning, thinning and harvesting.

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