

SOUTH AMERICA

# Colombia

GDP: **\$378.1bn**  
Five-year economic growth rate: **10%**  
Population: **48.3m**  
Total clean energy investments, 2006-2013: **\$1.2bn**  
Installed power capacity: **15GW**  
Renewable share: **4.4%**  
Total clean energy generation: **3,065GWh**  
Top energy authority: **Ministry of Energy and Mines**

OVERALL RANKING  
2014

**16**

OVERALL SCORE  
2014

**1.33**

PARAMETER	RANKING	SCORE
I. Enabling Framework	38	0.98
II. Clean Energy Investment & Climate Financing	21	0.66
III. Low-Carbon Business & Clean Energy Value Chains	24	1.99
IV. Greenhouse Gas Management Activities	05	2.95

## SUMMARY

Colombia finished 16<sup>th</sup> out of the 55 countries surveyed by *Climatescope* 2014, with a score of 1.33. This secured it 7<sup>th</sup> place among the 26 Latin American and Caribbean nations. The country has one of the fastest growing economies in Latin America, having expanded at an average rate of 6% for the past five years on the back of oil and coal exports. This is driving up national demand for power: consumption is forecast to increase at an annual average of 2.8% until 2028, when it will reach 93TWh.

New capacity in the form of 2.8GW of large hydro is expected to come online in the next five years, leaving little room for clean

energy technologies to develop. Since 2006, Colombia has attracted \$1.2bn in clean energy funds, although no investment was registered in 2013. Small hydro is the country's flagship clean energy sector, accounting for \$595m, or almost half of the total investment.

Looking ahead, policy support will be needed to increase clean energy deployment. More frequent droughts in Central and South America are serving to highlight the weakness of hydro as a year-round power source and may hasten diversification into other types of clean energy.

For further information, access [www.global-climatescope.org/colombia](http://www.global-climatescope.org/colombia)

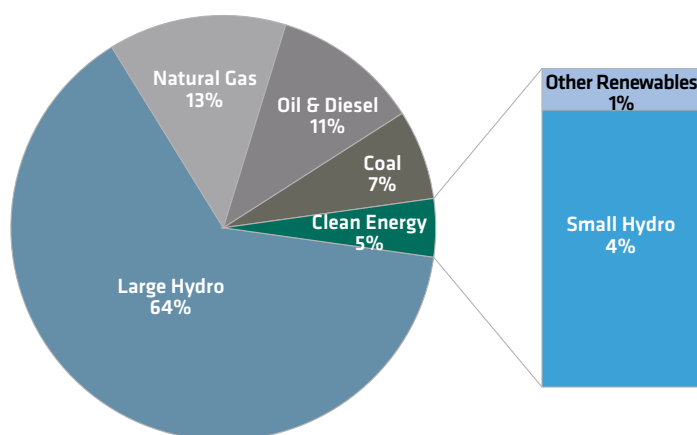
## PARAMETERS AT A GLANCE

Colombia is heavily reliant on large hydro generation. It represented more than half of the country's 14.5GW of installed capacity and 68% of the 62TWh generated in 2013. Other renewable sources play a much smaller role, representing just 4% of total capacity. Colombia scored well on Climatescope's power sector structure indicator, given its openness to private sector generation and the relatively low frequency of power outages.

Colombia produced 0.88bn liters of biofuel in 2013, which was the third highest output in Latin America, behind only Argentina and Brazil. However, it scored relatively low marks on Enabling Framework Parameter I (taking 38th place globally) partly because there was no increase in either biofuel production or clean energy generating capacity compared with 2012.

### INSTALLED POWER CAPACITY BY SOURCE, 2013 (%)

15GW total installed capacity



Source: Bloomberg New Energy Finance, XM Compañía de Expertos en Mercados  
Note: Other renewables refers to biomass & waste and wind plants.

On Clean Energy Investment Parameter II, Colombia ranked 21<sup>st</sup> globally and 15<sup>th</sup> among its Latin American and Caribbean peers. The score was weakened by the absence of any new (non-large hydro) clean energy investment in 2013, maintaining its cumulative total of \$1.2bn since 2006. On the plus side, it benefits from a low swap rate (averaging 3.7% in 2013) and the availability of green microfinance loans. Four organizations now offer green microloans.

### KEY POLICIES

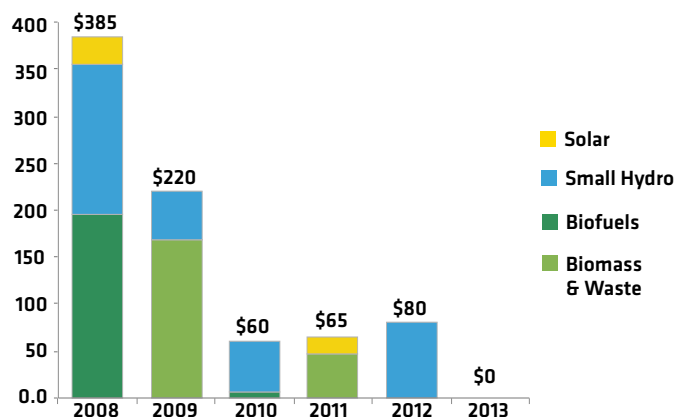
<b>Energy Target</b>	3.5% of on-grid and 20% off-grid generation from renewable sources by 2015.
<b>Biofuels</b>	10% biodiesel blend with conventional diesel and 10% ethanol blend with conventional gasoline.
<b>Tax Incentives</b>	Income tax exemption for wind and biomass generators and import duties exemption on equipment for activities that generate carbon credits.

Source: Bloomberg New Energy Finance Policy Library

It secured a similar ranking on Clean Energy Value Chain Parameter III. This relatively weak performance reflects the fact that while there are project developers and producers in five out of the six renewable energy sectors accessed, it lacks manufacturing capacity and a network of service providers.

### ANNUAL INVESTMENT IN CLEAN ENERGY, 2008-2013 (\$m)

\$1.2bn total cumulative investment



Source: Bloomberg New Energy Finance

Notes: Total investment includes: Asset Finance, Corporate Finance and Venture Capital / Private Equity Commitments.

Colombia was strongest on GHG Management Activities Parameter IV, ranking 5<sup>th</sup> globally. It is one of 11 Climatescope countries that are part of the Partnership for Market Readiness, an initiative to help countries reduce their greenhouse gas emissions. Colombia hopes to change its transport sector by encouraging electric vehicles and public transportation and reducing its carbon footprint. In addition, there are 69 GHG offset projects across a wide spectrum of sectors. by encouraging electric vehicles and public transportation and reducing its carbon footprint. In addition, there are 69 GHG offset projects across a wide spectrum of sectors.