



Bogotá's Legal Guide to Foreign Direct Investment

2026

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CLIMATE
CHANGE
REGULATION

DELTAICO

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• Panorámica de Bogotá

Climate Change Legal Framework¹

What are the main climate change regulations in Colombia?

Colombia has made significant progress in developing its climate change legal framework, although some areas still require further regulation.

At the international level, Colombia is a Party to the United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, and the Paris Agreement.

Within the legal framework, Law 1931 of 2018 stands out as the country's legal framework for climate change management by introducing governance mechanisms and planning instruments. Among these, the law formally incorporated Colombia's Nationally Determined Contributions (NDCs) under the UNFCCC².

Law 1931 of 2018 also created the Sectoral Comprehensive Climate Change Management Plans (*Planes Integrales de Gestión del Cambio Climático Sectoriales – PIGCCS*), through which each ministry identifies, assesses and integrates climate change mitigation and adaptation measures into the policies and regulations of its respective sector. Likewise, the law established the Territorial Comprehensive Climate Change Management Plans (*Planes Integrales de Gestión del Cambio Climático Territoriales – PIGCCT*). These plans enable subnational governments and environmental authorities to identify, prioritize and implement climate change mitigation and adaptation measures within their jurisdictions.³

Subsequently, Law 2169 of 2021, commonly referred to as the Climate Action Law, established legally binding national objectives aimed at achieving carbon neutrality by 2050 while promoting climate resilience and low-carbon development over the short, medium and long term.

As part of the implementation of Law 1931 of 2018, climate change considerations have also been incorporated into regional and local development planning instruments. Examples include the 2024–2028 Cundinamarca Departmental Development Plan (*"Gobernando: Más que un Plan"*) and Bogotá's 2024–2027 Economic, Social, Environmental and Public Works Development Plan (*"Bogotá Camina Segura"*), both of which incorporate climate change management as a cross-cutting issue.

At the local level, District Agreement 790 of 2020 declared a Climate Emergency in Bogotá D.C., recognizing climate change as a priority public policy issue and establishing guidelines for climate mitigation, adaptation and resilience. In addition, the District Council for Economic and Social Policy (*Consejo Distrital de Política Económica y Social – CONPES D.C.*) adopted Bogotá's Public Climate Action Policy, which aims to achieve carbon neutrality, strengthen climate resilience and accelerate climate adaptation across the city by 2050.

¹ The information contained in this chapter is provided for informational purposes only. Accordingly, it does not constitute and should not be considered a substitute for legal advice. Furthermore, this chapter is not intended to be exhaustive and does not address all applicable laws, regulations, policies, or case law relevant to the subject matter. In particular, sector-specific or specialized requirements, including those related to ESG (Environmental, Social, and Governance) criteria, may exist and are not covered in this document. For specific situations, recommendations, or decision-making processes, it is advisable to seek specialized legal counsel.

² In 2025, Colombia submitted its NDC 3.0, committing to limit its greenhouse gas emissions to between 155 and 161 MtCO₂e by 2035, while reducing black carbon emissions by between 6,130 and 8,873 tonnes compared with 2014 levels.

³ The Department of Cundinamarca adopted its PIGCCT for the 2024–2050 period through Departmental Decree No. 255 of 2025, with Bogotá included within its territorial scope.

What is the institutional framework for climate change governance?

Law 1931 of 2018 elevated the National Climate Change System (*Sistema Nacional de Cambio Climático – SISCLIMA*) to statutory status. SISCLIMA brings together the institutions, policies, regulations, planning instruments, financial resources, technical mechanisms and stakeholders—including the private sector—that are involved in climate change governance in Colombia.

At the national level, SISCLIMA is coordinated by the Intersectoral Commission on Climate Change (*Comisión Intersectorial de Cambio Climático – CICC*). The Commission is jointly chaired on a rotating annual basis by the Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible – MADS*) and the National Planning Department (*Departamento Nacional de Planeación– DNP*) and includes representatives from several national government agencies. The National Climate Change Council (*Consejo Nacional de Cambio Climático*) serves as the CICC's permanent advisory body. Its role is to provide technical advice and facilitate coordination between government institutions, business associations and other stakeholders involved in climate action.

Colombia also established the Presidential Cabinet Intersectoral Commission for Climate Action (*Comisión Intersectorial del Gabinete Presidencial para la Acción Climática*), a high-level coordination body responsible for monitoring and evaluating progress made by national government agencies in fulfilling Colombia's climate commitments. Representatives from the private sector may participate upon invitation when matters under discussion require their involvement.

At the regional level, SISCLIMA is coordinated through the Climate Change Nodes (*Nodos Regionales de Cambio Climático*), which also include the participation of business associations and private sector organizations. Bogotá and the Department of Cundinamarca are part of the Centro Oriente Andino Regional Climate Change Node (Nodo Regional Centro Oriente Andino).

Bogotá Environmental Secretariat (*Secretaría Distrital de Ambiente – SDA*) is the environmental authority for Bogotá D.C. and leads the formulation and implementation of the city's climate change policies, plans and programmes . Attached to the SDA is the District Institute for Risk Management and Climate Change (*Instituto Distrital de Gestión del Riesgo y Cambio Climático– IDIGER*), whose functions include coordinating with the various stakeholders that comprise the District System for Risk Management and Climate Change, as well as implementing climate change mitigation and adaptation measures across the Capital District.

District Agreement 790 of 2020 also created the Bogotá Climate Change Panel (*Panel Distrital de Cambio Climático*), an advisory body to the Bogotá City Council responsible for promoting, monitoring and supporting the implementation of actions arising from the city's Climate Emergency declaration. The Panel includes representatives from the private sector, including three members from business associations: one representing large or medium-sized companies and two representing small and micro-enterprises.

⁴ Within the SDA, an internal Climate Change Working Group has been established to coordinate and support the technical, legal, and financial dimensions of climate change management.

What carbon pricing instruments are available in Colombia?

Colombia currently operates both a carbon tax and carbon markets. The Colombian carbon tax applies to the carbon dioxide equivalent (CO₂e) content of fossil fuels. It covers petroleum products, natural gas and coal used for combustion and is levied only once, at the point of sale, importation or self-consumption. For 2026, the tax rate is approximately USD 7.5 per tonne of CO₂e, although the amount payable varies depending on the carbon content of each fuel.

Tax legislation established a mechanism for exemption from the carbon tax, which may not exceed 50% of the tax due in any case. To benefit from this mechanism, the taxpayer or final consumer must acquire certificates corresponding to greenhouse gas (GHG) emission reductions or removals generated by mitigation initiatives. Such certificates are used to compensate for or neutralize the emissions associated with the taxed fossil fuels.

Mitigation initiatives that generate certificates traded in the voluntary carbon market must comply with certain requirements. In particular, when such certificates are intended to qualify for the carbon tax exemption mechanism, the underlying initiatives must be previously registered in the National Registry of Greenhouse Gas Emission Reductions and Removals (Registro Nacional de Reducción de las Emisiones y Remoción de Gases de Efecto Invernadero-RENARE), the certificates must be cancelled to prevent double counting, be subject to validation and verification processes, and comply with the applicable social and environmental safeguards, among other requirements.

A landmark judicial decision was Constitutional Court Judgment T-248 of 2024, in which the Court found that the private companies involved in the Pirá Paraná River REDD+ (Reducing Emissions from Deforestation and Forest Degradation) carbon project had failed to exercise adequate due diligence to protect the fundamental rights of the Indigenous communities living within the project area. In addition to issuing specific orders to the companies concerned, the Court adopted a series of structural measures aimed at addressing systemic challenges affecting the voluntary carbon market. These included the development of an ethnic-sensitive protocol and the establishment of monitoring and support strategies for the implementation of REDD+ projects in collective territories.

The mandatory carbon market, referred to as the GHG Emissions Trading Allowance Program (*Programa Nacional de Cupos Transables de Emisión de GEI – PNCTE*), was created by Law 1931 of 2018 and remains pending regulatory development. The regulations are expected to define, among other aspects, the overall emissions cap; the program's scope, including the sectors, the size of companies subject to the system, GHGs covered, and the emissions thresholds triggering participation; the allocation and acquisition of allowances (through auctions, direct allocation, or secondary market transactions); and the requirements that certificates generated by GHG mitigation initiatives undertaken by non-regulated entities must meet in order to be eligible for the issuance of tradable allowances. The regulations are also expected to establish provisions on monitoring, reporting, and enforcement, among other matters



Are there tax incentives related to climate change?

In addition to the carbon tax offset mechanism, the Colombian Tax Code provides for a corporate income tax credit equivalent to 25% of the value of investments made in environmental control projects, as well as a Value Added Tax (VAT) exemption for the acquisition of domestic or imported equipment and components used in environmental control and monitoring systems.

Furthermore, investments in (i) electricity generation from Non-Conventional Renewable Energy Sources (*Fuentes No Convencionales de Energía – FNCE*); (ii) efficient energy management, and (iii) the production, storage, processing, distribution, re-electrification, research, and end-use of green and blue hydrogen are eligible for several tax incentives, including: an income tax deduction equal to 50% of the total investment made; a VAT exemption on the acquisition of domestic or imported equipment and components; an exemption from import tariffs on machinery, equipment, materials; and supplies not available from domestic production; and accelerated depreciation of the asset value at a maximum annual rate of 33.33%.

Likewise, investments, assets, equipment, and machinery intended for carbon capture, utilization, and storage (CCUS) are eligible for a 25% income tax credit, a VAT exemption, and the accelerated depreciation benefit described above.



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How has climate change been incorporated into environmental permitting?

Colombia is progressively integrating climate change considerations into its environmental permitting framework. Law 2169 of 2021 established a national objective requiring environmental management and control instruments—including environmental licences, permits, concessions and other environmental authorizations applicable to Projects, Works or Activities (*Proyectos, Obras o Actividades—POA*)—to incorporate climate change mitigation and adaptation considerations. Particular emphasis was placed on the quantification of greenhouse gas (GHG) emissions and on the contribution that environmental compensation measures can make toward achieving Colombia's NDC. Although the Council of State ordered the MADS to adopt the necessary regulations within one year through a compliance judgment issued on 12 October 2023, the implementing regulations have not yet been issued.

A further milestone was Constitutional Court Judgment C-280 of 2024, in which the Court held that Environmental Impact Assessments (EIAs) submitted to the competent environmental authority as part of the environmental licensing process must include an assessment of climate change impacts. The Court also instructed MADS to update the generic

Terms of Reference (ToR) for EIAs so that they explicitly address climate-related impacts associated with OPA requiring environmental licences.

MADS with the support of the National Environmental Licensing Authority (Autoridad Nacional de Licencias Ambientales-ANLA), is currently

updating the General Methodology for the Preparation and Submission of Environmental Studies (Metodología general para la elaboración y presentación de estudios ambientales-MGEPEA), which is expected to include guidelines for considering climate change variables in the preparation of EIAs.



Is greenhouse gas emissions reporting mandatory?

Law 1931 of 2018 established the Mandatory Greenhouse Gas Emissions Reporting System (*Reporte Obligatorio de Emisiones de Gases de Efecto Invernadero – ROE*) for public, private and mixed-capital legal entities. Although the implementing regulations have not yet been issued—and therefore reporting is not currently mandatory—the forthcoming regulation is expected to define: (i) methodologies for calculating direct and indirect GHG emissions; (ii) emissions thresholds and company size criteria determining which entities must report; (iii) reporting methodologies and procedures; (iv) reporting frequency; and (v) documentation required to prepare greenhouse gas inventories. Information submitted through the ROE platform is expected to be publicly available, increasing transparency regarding corporate GHG emissions.

What are the main considerations regarding climate adaptation and disaster risk management?

Colombia's climate adaptation policy is primarily guided by the National Climate Change Adaptation Plan (*Plan Nacional de Adaptación al Cambio Climático – PNACC*), whose overarching objective is to reduce the socioeconomic risks associated with climate variability and climate change. Climate adaptation is closely linked to disaster risk management. Since the enactment of Law 1523 of 2012, Colombia has operated under a comprehensive National Disaster Risk Management Policy (*Política nacional de gestión del riesgo de desastres*), implemented through the National Disaster Risk Management System (*Sistema Nacional de Gestión del Riesgo de Desastres*). More recently, Decree 978 of 2024 adopted the Second Update of the National Disaster Risk Management Plan (2025–2030), reinforcing the integration between climate adaptation and disaster risk reduction policies.

At the local level, Bogotá has established the District System for Risk Management and Climate Change (*Sistema Distrital de Gestión del Riesgo y Cambio Climático-SDGR-CC*). The system coordinates the policies, structures, functional relationships, methods, resources, processes, and procedures of the various stakeholders within their respective areas of responsibility. Its common objective is to create synergies among the processes

that integrate risk management and climate change. As the coordinating entity of the SDGR-CC, IDIGER implements actions related to disaster risk management and climate change adaptation. In addition, District Decree 837 of 2018 adopted Bogotá's District Disaster Risk and Climate Change Management Plan, which establishes the city's strategic framework for strengthening resilience to climate-related hazards.

Regarding territorial and environmental land-use planning instruments, both the general revision of Bogotá's Land Use Plan (*Plan de Ordenamiento Territorial – POT*) and the adjustment and update of the Bogotá River Watershed Management and Planning Plan (*Plan de Ordenación y Manejo de la Cuenca Hidrográfica del Río Bogotá-POMCA*) include provisions addressing disaster risk management and climate change adaptation.





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