



# Promoting Sustainable Skylines

## Green Buildings Code Project

*Photo credit: Dominic Chavez/World Bank*

### AT A GLANCE

- As a result of Colombia's new green codes, buildings are expected to consume 10 to 45 percent less energy and water. These reductions will avoid nearly 190,000 metric tons of greenhouse-gas emissions by 2021, helping big cities like Bogota achieve a goal to reduce 2019's greenhouse-gas emissions by 16 percent compared to 2007.<sup>2,3</sup>
- Colombia is among the top 20 fastest growing markets in terms of construction spending, signifying that implementation of the green building code can make a substantial impact, particularly in expanding urban areas.<sup>4</sup>
- By identifying implementation strategies tailored to local climate conditions, Colombia's green buildings code helps avoid significant additions to construction costs, illustrating the economic viability and potential for global replication.
- IFC provides countries with cost-benefit methodology and global expertise for the development of green building codes, including information on best practices developed in other countries such as Vietnam, Bangladesh, and the Philippines that are helping countries like Colombia implement their own green building regulations.
- This advisory project has put together the first regulatory framework in Colombia and all of Latin America that is helping promote energy efficiency and water conservation in building construction.

*As the world's cities expand, a key challenge is to ensure that they are built under cutting-edge and sustainable guidelines. In Latin America and the Caribbean (LAC), the world's most urbanized region, the construction sector is among the heaviest emitters of greenhouse-gases, and from 1990 to 2012, construction-related emissions increased by nearly 65 percent.<sup>1</sup> To achieve the goal of encouraging companies to build more sustainable skylines, Colombia, with IFC advisory support, became one of the first countries in the region to enact green building codes. IFC's experience around the globe implementing green building codes is helping Colombia require minimum mandatory building standards in the new construction of commercial and residential buildings. IFC advisors are also helping Colombian officials improve regulatory procedures and simplify its processes for permits.*

### RESPONDING TO A RISING DEMAND

As Colombia emerges from a past marred by conflict and violence, it has embarked on a path of implementing business-friendly policies to help make its domestic markets more appealing to investors. One of the fastest-growing sectors is construction, which the government has recognized in its National Development Strategy as a key engine for the country's economic development.<sup>5</sup> Significant construction expansion is expected (it was 8.2 percent between 2013 and 2014) as a result of both national and international businesses increasing demand for commercial office space. Thus the construction industry is a viable target for implementing sustainable development policies, or in this case, green building codes.<sup>6,7</sup>

In an effort to leverage this increased demand, the Ministry of Housing, Cities, and Territory created energy-saving and water-conservation guidelines for the construction sector that had never previously existed. By incorporating the green building codes into an official decree, the government signified its determination to meet its nationally-set greenhouse-gas emission reductions targets. Colombia pledged to reduce national emissions by 20 percent by 2030, and the new green building code is expected, as part of official country strategy, to result in reducing construction-sector emissions by 28 percent by 2021. Depending on the building type and particular climate, new buildings built under the codes are reducing energy and water consumption by up to 45 percent. As the first project of its kind implemented by IFC in the LAC region, the regulatory framework in Colombia has created a foundation for replication throughout the region.

Beyond their environmental impact, the codes are inspiring innovation in building design by encouraging the use of renewable energy, new types of materials, and clean technologies. The regulations take into account local conditions (weather and construction types) to set realistic targets for energy and water saving goals, creating a new benchmark on sustainable construction in the country. As the codes become standardized, the investment climate is improving, and the construction sector is advancing its transparency and inclusiveness.

## IFC'S UNIQUE OFFER

In implementing the Colombia project, IFC drew on its global experience with similar programs and leveraging demand to develop market incentives for climate-smart growth. IFC fills a gap in the public sector, offering its cost-benefit analysis tools and expertise to improve the design of local green building regulations. In addition, consumers and private sector actors, including developers and financial institutions, who in the past were also challenged by the deficiency of information on the benefits and payback timeframes of investing in green buildings, also benefit from the initiative. It is vital for all sectors to be equally engaged in green buildings, but particularly the private sector, whose knowledge and expertise mitigate risks on market adoption. IFC's involvement ensures that all stakeholders benefit and that regulations are made according to the capacity of all sectors.

To ensure multi-sector involvement, IFC has been facilitating a public-private dialogue to identify barriers in the construction sector and to promote development of sustainable building guidelines. By creating a market with economic, financial, and fiscal incentives for the government, developers, financial institutions, and consumers alike, IFC encourages coordinated investment in a sustainable future.

Private sector partners have proven to be key supporters and co-financers, playing an important role in moving the project

*"The adoption of Colombia's green building code has been a process in which Camacol (National Chamber of Construction) has participated in for several years, thanks to the joint work with the Ministry of Housing, City and Territory, and the International Finance Corporation, supported by the Embassy of Switzerland through the State Secretariat for Economic Affairs of Switzerland. Hopefully this process will become an example for the continuous and complex issue of technical regulations imposed on the building activity, which beyond its target do not take into account its impact in the construction sector."*

—SANDRA FORERO

President

National Chamber of Construction

forward. The creation of the Advisory Council, which includes key private and public actors in Colombia, has been essential in ensuring the project's success. Colombia's green building code empowers strong leadership and focuses on evaluating existing capacities, allowing the construction sector to move down a more sustainable and efficient path.

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- [2] Mueller, Nicolette. 2015. "Global Market Watch: Colombia is the Site for the Next Green Building Boom," September 9. U.S. Green Building Council Market Watch. Washington, DC. <http://www.usgbc.org/articles/global-market-watch-colombia-site-next-green-building-boom>
- [3] IHS. 2013. IHS Economics Global Construction Outlook : Executive Outlook, Fourth Quarter 2013:27. Englewood, CO. [https://www.ihs.com/pdf/IHS\\_Global\\_Construction\\_ExecSummary\\_Feb2014\\_140852110913052132.pdf](https://www.ihs.com/pdf/IHS_Global_Construction_ExecSummary_Feb2014_140852110913052132.pdf)
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- [7] Mueller, Nicolette. 2015. "Global Market Watch: Colombia is the Site for the Next Green Building Boom," September 9. U.S. Green Building Council Market Watch. Washington, DC. <http://www.usgbc.org/articles/global-market-watch-colombia-site-next-green-building-boom>

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