
**Intergovernmental Working Group of Experts on International
Standards of Accounting and Reporting
(ISAR)**

**39th SESSION
1 – 3 November 2022**

Wednesday, 2 November 2022

**Agenda item 3. Good practices in and approaches to the
practical implementation of sustainability reporting
requirements**

Presented by

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Greening Colombia's Financial System

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Session: Good practices in and approaches to the practical implementation of sustainability reporting requirements

In 2019, the SFC developed a road map to transform the Financial System to achieve the Paris Agreement.

We wanted to ensure that financial risks and opportunities from climate and environmental factors are **integrated into mainstream financial decision-making...**

Promote a more resilient and transparent financial system that incorporates in its DNA climate change and nature-related risks and opportunities

Facilitate capital mobilization towards green growth objectives and facilitate a country's transition to a low-carbon, climate-resilient economy.

Enhance financial systems ability to identify and manage climate-related and environmental risks.

Taxonomy

Thematic
(green) bonds
regulation

ESG disclosure

ESG
integration

Vulnerability
and Scenario
Analysis

The increase in sustainability reports in recent years has brought important challenges for issuers and users of information.

In Colombia ESG disclosure reports lacked reliability, standardization and relevance to investors



STADARIZNATION AND
COMPARABILITY



RELEVANCE
FOR INVESTORS

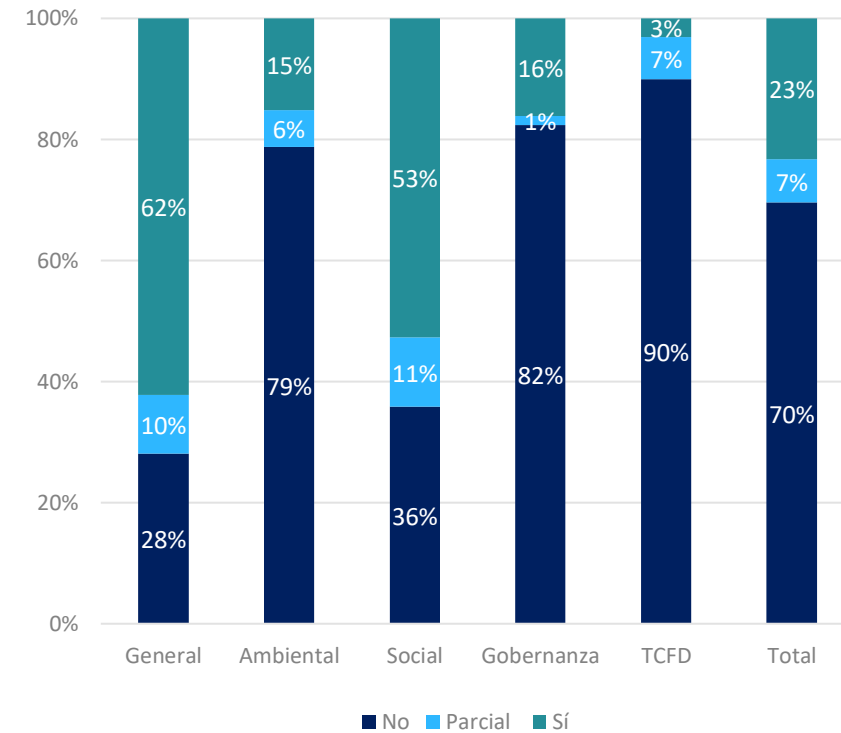


QUALITY AND
CREDIBILITY



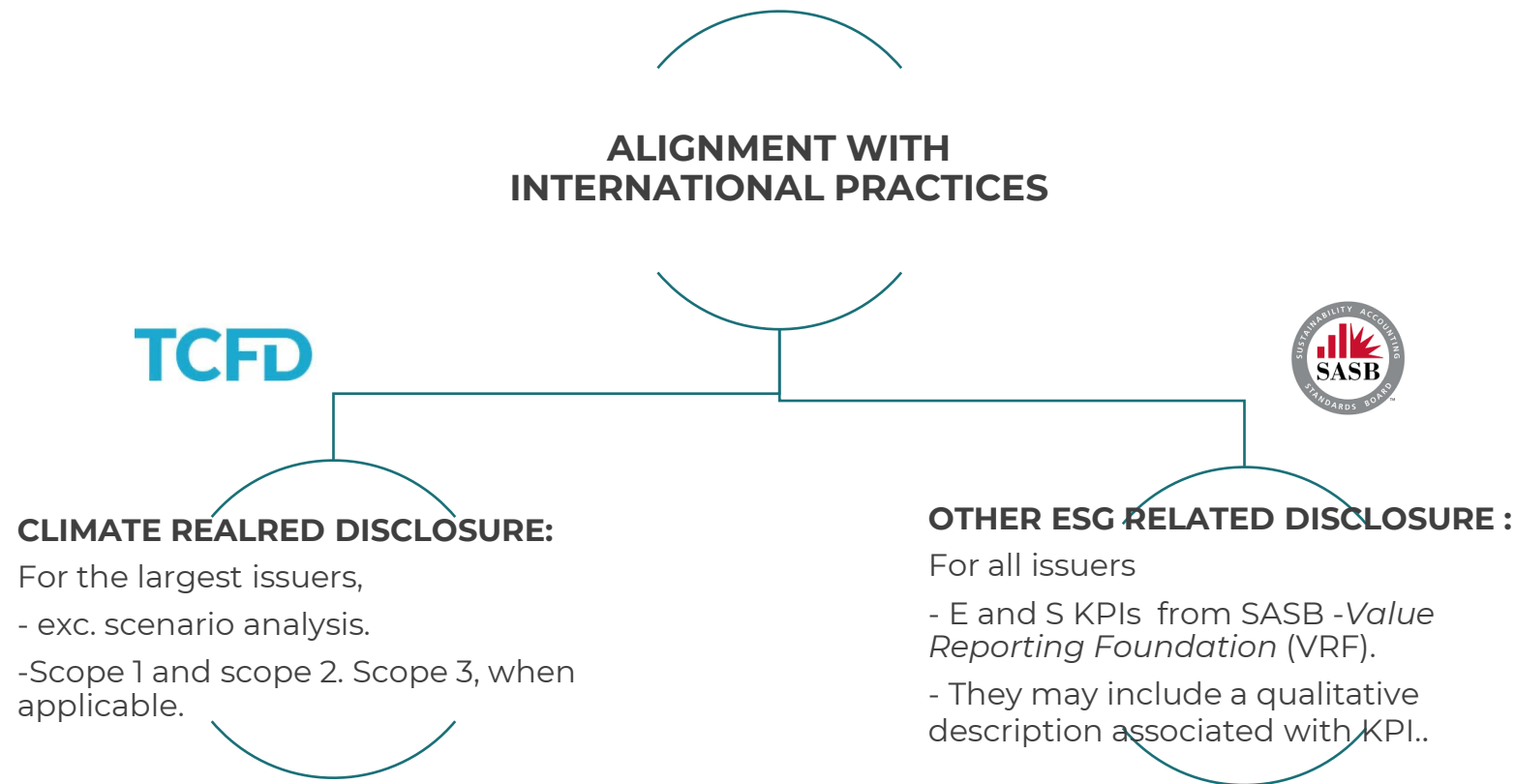
REPORTING
FATIGUE

Disclosure rate
(68 issuers)



The SFC conducted both, desk research and a participatory consultation with users and preparers, to develop the the disclosure regulation.

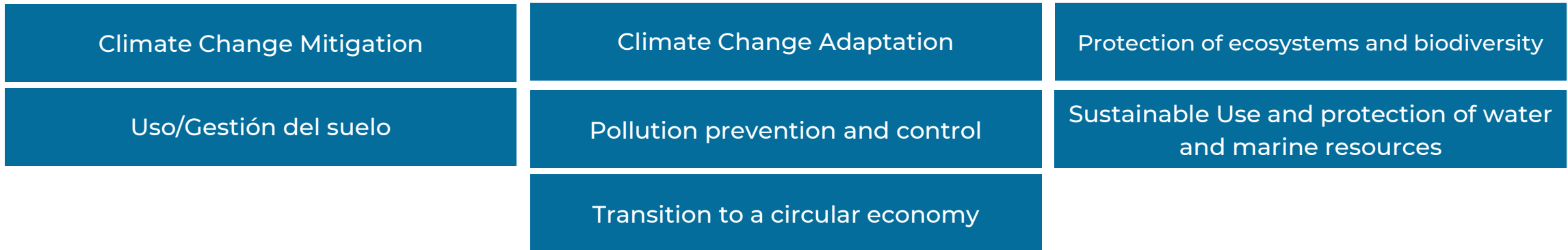
As a result, Circular 31 of 2021 was issued, based on the principle of proportionality and gradualness, recognizing the needs of the different issuers but aligning the market with international discussion



Colombian Green Taxonomy focus on product disclosure

The Colombian Green Taxonomy is classification of environmentally sustainable economic activities and assets that will serve as guideline for green financing and will help align the private sector with the national objectives and international environmental commitments.

7 ENVIRONMENTAL OBJECTIVES



ELIGIBLE ACTIVITIES

FILTERS

Economic activities and assets that substantially contribute to one or more environmental objectives

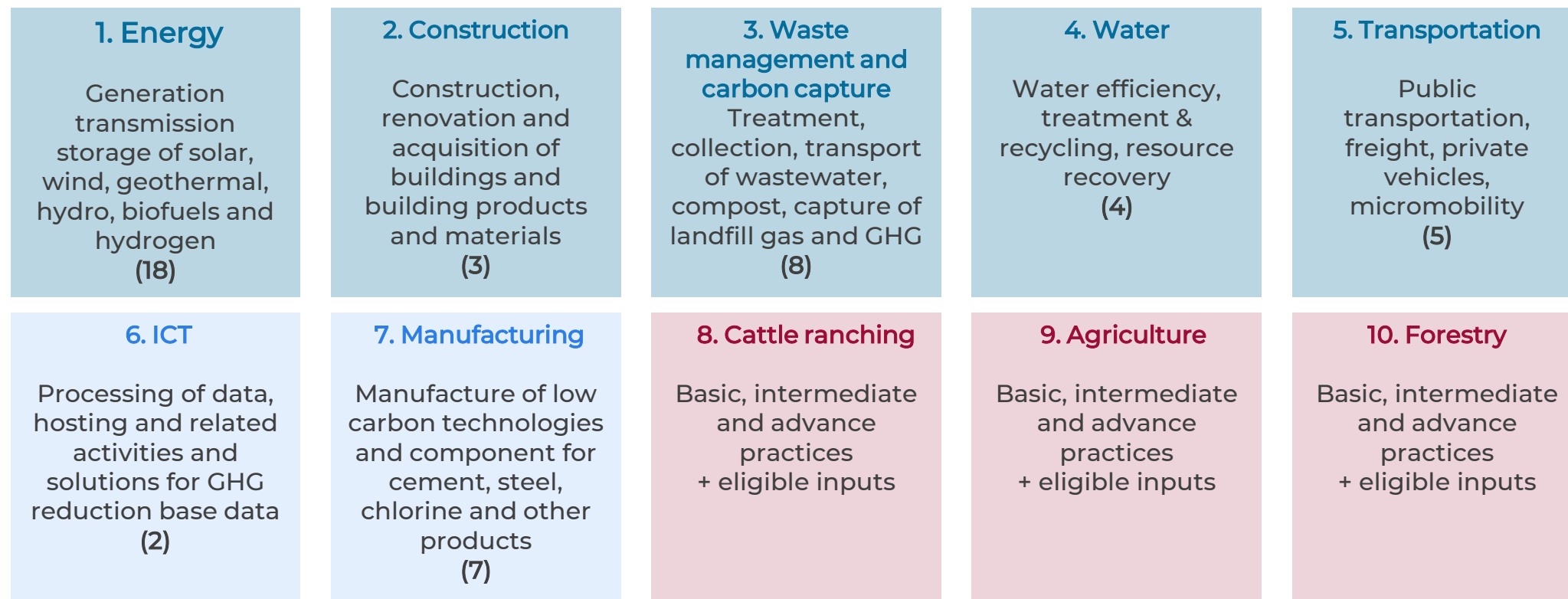
TECHNICAL SCREENING CRITERIA

- Eligibility criteria and thresholds
- Standards
- Good Practices

TREATMENT OF RISK

Comply with DNSH for the other environmental objectives, social/labor issues and relevant regulation

Sectoral scope: 10 sectors and 50 activities are included in the Colombian Green Taxonomy.



■ Activities that substantially contribute to mitigation

■ Enabling Activities

■ Activities that substantially contribute to more than one environmental objective



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