

REDD Readiness Progress Fact Sheet

COUNTRY: CHILE

October 2013

1. R-PP Preparation and FCPF Readiness grant

- The World Bank team provided technical assistance from the R-PIN stage and throughout the development of the R-PP based on technical comments provided to CONAF in various stages. Two full technical assistance missions were carried out (March 2012 and May 2012) and a due diligence mission was completed in May 2013. In addition, the procurement and financial management capacity assessment missions were undertaken in October 2012, and a separate mission with the Legal Counsel assigned to the project, to review the legality for the proposed change of recipient agencies from The Ministry of Finance, to the Chilean Agency for International Development (AGCI by its initials in Spanish).
- The first regional SESA workshop was carried out in July 2013.
- Chile finalized its due diligence process in July 2013 and the World Bank is now undergoing its internal review process in order to negotiate the grant agreement with the Government of Chile.

2. National REDD Readiness Management Arrangements

- The Roundtable of Forests and Climate Change (*Mesa de Bosques y Cambio Climatico*) will coordinate the activities and sector decisions that will need to be carried out in designing the national strategy. The Roundtable will be headed by CONAF and composed of relevant sector governments such as SAG (*Servicio Agrícola y Ganadero*), INDAP (*Instituto de Desarrollo Agropecuario*), CONADI (*Corporación Nacional de Desarrollo Indígena*), ODEPA (*Oficina de Estudios y Políticas Agrarias*), among others, and representatives from key stakeholder groups including indigenous peoples, small producers' associations, NGOs, academy, etc. The Roundtable will coordinate with the multi-stakeholder participation platform of the Consultative Council of Native Forests (*Consejo Consultivo de Bosque Nativo*), the regional governments and municipalities.
- A Group of National Technical Experts (GTNE) was formed by general agreement between all the parties and will provide technical inputs to the Roundtable of Forest and Climate Change. The GTNE include technical experts from various international organizations, sector government, private sector, NGOs, indigenous peoples, among others.
- The Institutional Group of Forests and Climate Change (*Grupo de Bosques y Cambio Climatico Institucional*) is also composed by the regional coordinators of the forests and climate change group of CONAF (in total 15 professionals) in order to provide the local perspective in national strategy.

3. Stakeholder Consultations and Communication

- CONAF plans to carry out consultations with stakeholders on the national strategy. A differentiated consultation process with indigenous peoples is planned in accordance with national legislation and following the principles of ILO Convention 169. CONAF has recent experience in carrying out a national consultation on the Forest Law and counts with in-house expertise to lead the engagement and consultation process with stakeholders.

4. REDD Strategy Preparation

- Based on the latest vegetation cadaster (2011), Chile counts with 16,676,875 ha of forest, of which 81.6% correspond to native forest and around 2,6 million hectares of mainly exotic forest plantations (pine and eucalyptus). In relation to 1997, Chile experienced a net increase in its forest cover (around 1 million hectares), with very low gross deforestation. Due to its particular national circumstances, the focus of the Chilean National REDD+ strategy is on addressing degradation, sustainable management of forests, and the enhancement of forest carbon stocks.

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- In this context, CONAF is developing a Forests and Climate Change National Strategy (*Estrategia Nacional de Bosques y Cambio Climático- ENBCC*) that has two principal elements, the first centers around the generation, registration and marketing of forest carbon credits that meet international voluntary carbon market standards, focusing mainly on increasing access for small and medium landowners. The second focuses on issues related to the National Greenhouse Gases Inventory and other needs agreed by the country not related to carbon markets. There are also a scope related to capacity building as south-south cooperation, and to achieve elements related to adaptation to climate change, and provide technical advices to the formal negotiation that Chile carried out in the framework of UNFCCC and other international agreements.
- The element relating to carbon markets, will be operationalized by the *Platform for the Generation of Carbon Credits from the Chilean Forest Sector* (PBCCh), created in 2012 which seeks to institutionalize a number of technical and administrative processes related to the strategy. One of these processes is the elaboration of generic “Project Typologies” through standardized methods for baseline and monitoring, as well as safeguard approaches.
- CONAF has advanced in establishing cooperation agreements with several universities and other institutions (e.g. VCS, CCBA and Gold Standard) for the elaboration of technical and methodological inputs for the development of these Typologies, which will be supported through the FCPF and also with the Switzerland cooperation (NAMA) and domestic funds carried out directly by CONAF and another agreements with private sector related to mining, forestry, wine productions, among others.

5. Implementation Framework

- The main laws that regulate and provide incentives for the forest sector are the 1974 decree law (decreto ley) No 701 on forest development (currently the latter is under revision in the Congress) and the 2008 law No 20.283 on native forest restoration.
- There is no specific legislation or jurisprudence on carbon rights in Chile. In their absence, contractual arrangements have been made treating the carbon as immovable property of land owner. The Constitution of Chile recognizes private and public ownership. Collective ownership is not recognized at the constitutional level but can be found, among others, in Law 19.253 (Indigenous Law) as well as in colonial titles, such as *titulos de comisario* and *titulos de merced*.

6. SESA

- The SESA for Chile will be based on a regional approach in order to reflect the specific contextual realities of the broad range of stakeholders and facilitate their effective participation throughout the readiness phase. There will be 4 regional SESA workshops in the following four areas of the country: (i) north (includes regions XV, I, II, III and IV); (ii) center (regions V, VI, VII and metropolitan area); (iii) center-south (regions VIII and IX); and, south-austral (regions X, XIV, XI and XII).
- The first regional SESA workshop was carried out in late July 2013 in the center-south area of the country that includes the VIII and IX region as part of the formulation phase. An issue-scoping exercise of the risks and benefits of the proposed strategic options as well as the identification of the causes of forest degradation will be carried out from the differentiated perspective of a broad range of stakeholder group at the regional level.
- A draft SESA workplan was drafted by CONAF indicating the roadmap to initiate the SESA process and proposing the overall structure of the SESA process throughout the readiness phase. The SESA workplan will be a live document that will incorporate the outcomes of each of the regional SESA workshops in order to prioritize the studies that will be carried out.

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7. Development of a Reference Scenario

- Chile plans to establish a forest Reference Level in three phases: i) national (top-down), ii) subnational, and iii) national from a combination of the various subnational levels (bottom-up).
- The first phase will rely on a collaboration with the MAPS project (<http://www.mapschile.cl>) and will include the generation of a BAU (Business as Usual) and a RBS (Required by Science) scenario for the AFOLU sector compared to a 2007 base year. This project is ongoing.
- The second phase will involve the elaboration of Reference Levels for each Project Typology, which will later be aggregated to establish a bottom-up national Reference Level (phase three). Approaches such as the VCS standardized methods and the VCS Jurisdictional and Nested REDD+ Initiative are being discussed. The technical work for this though is still at its early stages. CONAF is organizing several technical workshops with international experts from VCS, Gold Standard, CCBA, TerraCarbon among others to increase the capacity building and quality of the results in this framework.
- An innovative aspect of this approach is the development of methodologies for the establishment of degradation baselines, or Reference levels, which is envisioned to be supported by the FCPF.

8. MRV

- Chile counts with a number of different-but-related monitoring initiatives underway related to the forest sector, that form a strong foundation for a national forest monitoring system for REDD+. These include: i) National Land Cover Monitoring program (Catastro – CONAF); ii) National biomass monitoring system under the Proyecto Dendroenergía y Carbono (CONAF + UACH); and iii) National Forest Ecosystem Inventory.
- It is envisaged that all the necessary elements of these systems will be strengthened through the Readiness phase, and linked through the PBCCh to establish a strong MRV system of GHG emissions with high accuracy.
- The workplan also includes the development of standardized monitoring methodologies for the different “Project Typologies” which has started with the technical assistance from a number of Universities. Of particular relevance is the Typology related to forest degradation.
- CONAF is organizing several technical workshops with international experts from VCS, Gold Standard, CCBA, TerraCarbon among others to increase the capacity building and quality of the results in this framework.

9. Other

For additional information visit:

<http://www.conaf.cl/nuestros-bosques/bosques-en-chile/cambio-climatico/>