

# **Forest Carbon Partnership Facility (FCPF) Carbon Fund ER Monitoring Report (ER-MR) Emission Reduction Program of Chile ER Program Name and Country:** 05-12-2019 to 31-12-2021 **Reporting Period covered in this** report: 1,026,024 **Number of FCPF ERs:** 301,770 Quantity of ERs allocated to the **Uncertainty Buffer:** 684,016 Quantity of ERs to allocated to the Pooled Reversal buffer: 85,158 **Number of FCPF ERs from** enhanced removals through afforestation/ reforestation 06-09-2024 **Date of Submission:** 3 Version

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#### Acronyms

AFOLU: Agriculture, Forestry and Other Land Use

AGCID: Agency for International Development Cooperation

ASP: Protected Wild Areas BSP: Benefit Sharing Plan

CAPR: Rural Drinking Water Committees CATS: Carbon Assets Tracking System

**CONADI: National Indigenous Development Corporation** 

**CONAF: National Forestry Corporation** 

**CORECC:** Regional Climate Change Committees

COSOC: CONAF Civil Society Council

MRS: Mechanisms for Complaints and Suggestions

CTICC: Interministerial Technical Committee on Climate Change

CTR-CC: Technical Coordinator of MINAGRI's Regional Technical Committee on Climate Change

**DBOCC: Climate Change and Forest Departments** 

DCCSE: Climate Change and Ecosystem Services Department DMECC: Climate Change and Ecosystem Monitoring Department

**ENCCRV: National Strategy on Climate Change and Vegetation Resources** 

ERPA: Emissions Reduction Program Agreement ERPD: Emissions Reduction Program Document ESMP: Environmental and Social Management Plan

FAO: Food and Agriculture Organization

FCBN: Native Forest Conservation, Recovery and Sustainable Management Fund

FCPF: Forest Carbon Partnership Facility

FGRM: Feedback and Grievance Redress Mechanism

FIA: Foundation for Agricultural Innovation

FIBN: Native Forest Research Fund FMT: Fund Management Team

FPIC: Free Prior and Informed Consent

FREL/FRL: Forest Reference Emission Level/ Forest Reference Level

GASP: Protected Wilderness Areas Management

GCEBX: Forest and Xerophytic Ecosystems Conservation Management

GEF MST: GEF/Sustainable Land Management Project (MST) GEF: Environmental Evaluation and Oversight Management

GEFA: Finance and Administration Management GEPRIF: Forest Fire Protection Management

GCF: Green Climate Fund IFN: National Forest Inventory

INDAP: Institute for Agricultural Development INFOR: National Forest Monitoring System

INGEI: Forest Reference Level and the National Greenhouse Gas Inventory

IPCC: Intergovernmental Panel on Climate Change LEMU: Logging and Extraction Monitoring Unit

MGAS: Environmental and Social Management Framework

MINAGRI: Ministry of Agriculture MINENERGIA: Ministry of Energy

MMA: Ministry of the Environment

MOFIM: Intercultural Mapuche Forestry Model

NDC: National Determined Contribution NFMS: National Forest Monitoring System

ODEPA: Office of Agricultural Studies and Policies OIRS: Information, Complaints and Suggestions Office

PAT: Biomass Territorial Supply Program
PES: Payment for Environmental Services
PMST: Sustainable Land Management Project

PSM: Project Management System PTN: National Technical Proposal PTR: Regional Technical Proposal

SAFF: Forestry Administration and Control System

SAG: Livestock Agricultural Service

SAIS: Secretariat of Indigenous and Social Affairs

SAQ: Burn Assistance System SAT: Early Warning System

SEA: Environmental Assessment Service

SEGEGOB: Ministry General Secretariat of Government

SEIA: Environmental Impact Assessment System

**SEREMI: Ministerial Regional Secretary** 

SESA: Strategic Environmental and Social Assessment SIAC: Public Environmental Information System

SIDCO: Digital Information System for Operations Control

SIGEFOR: Forestry Promotion and Development Management System

SIGI: Institutional Management Information System

SIS: Safeguards Information System SIT: Territorial Information System

SMM: Monitoring and Measurement System

SNASPE: National System of State-Protected Wilderness Areas SNIChile: Chilean National Greenhouse Gases Inventory System

SPF: Secretariat for Forest Policy SVS: Soil Conservation Service (USDA)

TNC: The Nature Conservancy
UACh: Universidad Austral de Chile
UAIS: Indigenous and Social Affairs Unit

UNCCD: United Nations Convention to Combat Desertification UNFCCC: United Nations Framework Convention on Climate Change

UN-REDD: United Nation Reducing Emissions from Deforestation and forest Degradation

**UPCT: Public Participation and Transparency Unit** 

**UTRE: Specialized Regional Technical Units** 

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# 1 IMPLEMENTATION AND OPERATION OF THE ER PROGRAM DURING THE REPORTING PERIOD

# 1.1 Implementation status of the ER Program and changes compared to the ER-PD

The Chilean Emissions Reduction Program (ERP) corresponds to the activities carried out within the framework of the implementation of the <u>National Strategy on Climate Change and Vegetation Resources (ENCCRV)</u>. In turn, the ENCCRV is a public policy instrument that aims to "Reduce the social, environmental and economic vulnerability generated by Climate Change, Desertification, Land Degradation and Drought on vegetation resources and human communities that depend on them, in order to increase the resilience of ecosystems and contribute to mitigating climate change by promoting the reduction and capture of greenhouse gas emissions in Chile".

In order to meet this objective, <u>seven direct action measures and 19 facilitation measures</u> were established through various technical analyses and participatory processes at the national level. These measures are organized and strengthened through the different programs, plans and activities carried out by the National Forestry Corporation (CONAF), and are technically and financially supported by other <u>international climate initiatives</u> (FCPF, Green Climate Fund, <u>UN-REDD</u>, <u>GEF MST Project</u>, <u>Swiss Cooperation</u>, and the <u>Chile-Mexico Fund</u>, among others). This chapter presents the main advances in ERP actions and interventions during the 2020-2021 period.

The selected Reference Period is from 01-01-2001 to 31-12-2013 and the accounting area is 13,232,401ha.

Progress on Chile's ER Program actions and interventions

The activities developed by the ERP in the 2020-2021 period included actions related to the management of CONAF that were carried out with state financing and funding from multilateral organizations directly administered by CONAF. The activities were mainly focused on the execution of pilot or demonstration projects, actions to strengthen capacities and environmental education at the territorial level.

It should be noted that, on 8 August 2020, the ENCCRV's first payment-by-results project began, through its +Bosques project, which is financed by the Green Climate Fund.

# Activities executed with national budget

Below is a summary of the results of the ERP activities carried out by CONAF in the reporting period (2020-2021) in the AA. These activities are related to the ENCCRV and seek to address the causes of deforestation, forest degradation and the non increase of forest carbon stocks.

- Within the framework of the Native Forest and Forest Promotion Law No. 20,283, administered by CONAF, sustainable management was implemented in more than 3,720 ha of forest. It should be noted that, in the period 2020-2021, 100 percent of the budget allocated through a competitive process to the Native Forest Conservation, Recovery and Sustainable Management Fund (FCBN) and the Native Forest Research Fund (FIBN) included in Law 20,283 was executed.
- In terms of forest supervision: 1,223 property inspections were carried out; compliance with 907 Forest
  Management Plans was verified; 1,587 complaints from third parties were received; 209 collection points and
  287 logging trucks were inspected; 498 patrols were carried out; 385 judicial requests were processed; 87
  preventive activities (talks and dissemination activities) were carried out, and 176 tree marking and Alerce stock
  verification activities were carried out.

- In 2020, CONAF was awarded three programs under the Temporary Emergency Fund (FET) for the 2021-2022 period (Law 21,288 of 2020), for an amount totaling M\$ 27,252,181 Chilean pesos, which is intended to cover expenses and meet the needs derived from the health crisis caused by the COVID-19 pandemic.
  - Economic reactivation program for small and medium-sized forest owners with a total area of 24,130 ha and a budget allocation of 21,895,786,000 pesos.
  - Infrastructure maintenance and repair plan for 91 brigade bases of the Forest Fire Program, with a budget allocation of 3,466,275,000 pesos.
  - Construction of the plant nursery in the Paine Grande sector of the Torres del Paine National Park, with an investment of 1,890,120,000 pesos.
- In 2021, CONAF, through the Economic Reactivation Program for small and medium-sized forest owners, executed ERP activities in more than 33,000 ha of forest throughout the country. In addition, in the AA activities involving afforestation, restoration and sustainable management of forests and forest plantations were carried out in an area covering more than 19,000 ha.
- On 22 December 2020, the CONAF board, chaired by the Minister of Agriculture, unanimously approved the creation of the Forest and Climate Change Management Unit. This decision reflects the strategic vision of CONAF's management in strengthening and aligning institutional capacities, in order to ensure the sustainable management of forests and their contribution to reducing emissions globally. CONAF has aligned its capabilities, within the framework of the National Strategy on Climate Change and Vegetation Resources, to help achieve the goal of making Chile carbon neutral by 2050, as well as ensuring compliance with the country's National Determined Contribution (NDC), established in the 2015 Paris Agreement, regarding climate change mitigation.
- At the legislative level, progress was made on the bill to create the National Forest Service, which would
  establish a decentralized public service to replace the current private entity, seeking to promote the
  conservation, restoration, development, management and sustainable use of forests and other vegetation
  formations in the country. The bill is currently in the second constitutional process in the Senate.
- In terms of oversight, progress was made with the incorporation of technology, with drones and medium- and high-resolution satellite images to increase the coverage and efficiency of oversight, and improve internal management and that of users: access to the virtual office with a unique key and interoperability with other public services of the State, institutional strengthening for the application of procedures under the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) and the updating of the Environmental Evaluation Guide and the Guide for Requesting Exceptions to the Native Forest Law.
- Execution of 100% of the budget allocated in the Native Forest Conservation, Recuperation and Sustainable Management Fund (FCBN) and the Native Forest Research Fund (FIBN) contained in Law 20,283.
- The Post-Wildfire Recovery Program facilitated the recovery of approximately 10,000 ha of forest by 2020.

# Activities funded by international agencies.

• In June 2021, the FPCF II/Implementation of the <u>Specialized Regional Technical Units (UTRE)</u> project was completed. These units were established in each of the ERP regions to provide expert advice on the implementation of best practices for the management of natural resources within the framework of the action measures of the ENCCRV. The UTREs were implemented in the ERP regions to strengthen the technical capacities of the institution and local beneficiaries (mainly small and medium-sized owners).

To achieve the objectives defined in the UTRE, seven activities were carried out as described below:

- 1. Design and manage a model intervention program that promotes the sustainable management of native forest (with emphasis on its degradation) to increase the offer of sustainable products and/or services, considering the productive chain and the business models associated with the resource.
- 2. Contribute to the improvement of the Forest Extension Program carried out by CONAF, in the context of climate change, desertification, land degradation and drought.

Activities 1 and 2 are linked to the development of two action measures of the ENCCRV: MT.4 Afforestation and revegetation program in prioritized districts/areas, and US.1 Institutional Forest Management Program focused on public and private land.

- 3. Prepare technical proposals to obtain financing aimed at the implementation of action measures at the national, regional and/or community level, involving public and/or private entities. This activity is linked transversally to the direct action measures<sup>1</sup> of the ENCCRV.
- 4. Support CONAF's provision of technical advice aimed at foresters and farmers to promote actions that prevent forest fires. These activities are linked to three action measures of the ENCCRV: IF.4 Strengthening of the forest fire community preparedness program; IF.3 Forest fire prevention program with emphasis on the urban-rural interface; and IF.5 Inclusion of forest fire prevention management and post-fire restoration elements in Law No. 20,283 and its regulations.
- 5. Design and test a Biomass Territorial Supply Program (PAT) that guarantees the supply of sustainable biomass. This activity is linked to action measure US.3 Strengthening the wood energy program and the country's energy matrix.
- 6. Strengthen oversight institutional capacity through training in the use of monitoring and early detection systems developed under the ENCCRV, with emphasis on the districts with the highest risk of deforestation and degradation. This activity is linked to two action measures: MT.7 Strengthening of forestry and environmental inspection programs, and MT.6 Environmental education and dissemination program.
- 7. Review and implementation of environmental and social safeguards in the activities mentioned above. This activity is transversal in nature as it covers all the elements of the ENCCRV and implies the use of safeguard instruments developed in the Environmental and Social Management Framework.

Specifically, in the period 2020-2021, the most important milestones are related to the following elements:

- Preparation and approval of the 4th edition of the Benefit Sharing Plan (BSP) for the ENCCRV and the Operational Manual for the implementation of the BSP in the specific framework of the ERP.
- Development and strengthening of capacities in various aspects related to the ENCCRV action measures, including legal aspects associated with REDD+ to strengthen the legal unit of CONAF, and other training elements related to the ENCCRV platform and its different systems.
- Preparation of the Environmental Education Program and the Communication Strategy of the ENCCRV.
- Dissemination plan at the central and regional level.
- Regional dissemination of UTRE activities in the Magallanes, O'Higgins, Maule, Biobío, Araucanía, Los Ríos and Los Lagos Regions, including five of the six AA regions.
- In June 2021, the GEF/<u>Sustainable Land Management Project (MST)</u> ended. This project was implemented
  in five regions of the country, including the Araucanía Region, which is part of the AA of the ERP. In this
  region, sustainable management practices were implemented in an area totalling 3,843 ha with a total of

<sup>&</sup>lt;sup>1</sup> Direct action measures: Those that directly generate environmental, social and economic benefits in the territory given their operational nature.

550 direct beneficiaries. This includes the implementation of biological conservation corridors in more than 3,000 ha and the restoration, reforestation and management of an area equivalent to 840 ha through sustainable management plans, which allowed the capture of -29,397 tonCO2eq. Additionally, the project generated a strategic plan for the sustainability of the initiative, degraded areas were identified and a total of 100 property plans were generated. In terms of the ENCCRV Education Program (MT.6) in the region, 200 forest users were trained on issues of environmental education and climate change.

• In December 2021, the UN-REDD National Program/Support Program for the National Strategy on Climate Change and Vegetation Resources (ENCCRV) ended. The program included the evaluation, implementation and compilation of lessons learned from operational action measures seeking to establish new replicable and scalable sustainable forest management models, including the execution of projects for the implementation of Payment for Environmental Services (PES). Specifically, the project was developed in five regions of the country, of which two correspond to AA regions (La Araucanía and Los Ríos):

In these regions, restoration and reforestation actions were carried out within the framework of the REDD+ activities established in the action measures of the ENCCRV. At the end of the project, progress was made in the implementation of the Adaptation Program for the management of vegetation resources in the framework of climate change, desertification, land degradation and droughts (G.A.1) and in the Ecological Restoration Program with native species (MT.5.), both defined in the ENCCRV, through the construction of nurseries, greenhouses and restoration activities in an area totalling 285 ha. In addition, under the Payment for Environmental Services (PES) model, two pilot projects were developed, together with Rural Drinking Water Committees (CAPR), in the towns of Mashue, Niebla-Los Molinos and Liquiñe in the Los Ríos Region based on the strengthening and implementation of a remuneration model for the ecosystem service of water supply. Another project was implemented focused on recovering ancestral harvesting practices for pine nuts (piñon) to improve climate change adaptation and mitigation actions in the indigenous community of Quinquén in the Araucanía Region. The objective of this project is to support the adoption of ancestral sustainable management practices through the cultivation of a portion of the seeds harvested and the subsequent use of the seedlings for revegetation in prioritized sites.

Advances in Carbon Accounting: Methodological and territorial scope improvements have been developed
in the Reference Level of Forest Emissions/Forest Reference Level (NREF/FRL), improvements in the
National Forest Monitoring System (NFMS), and improvements in the Safeguards Information System (SIS).
Details of all these advances are presented in Annex 4 of this report.

# Other technical advancements

• Advances in safeguards: during the reporting period, there have been advances related to the technical design of the Safeguards Information System (SIS) for its subsequent implementation. This system was developed with a multi-scale approach – local, operational, administrative, and national – to ensure respect for REDD+ safeguards in the execution of the ENCCRV. For its part, the World Bank announced a change from the Environmental and Social Management System to the Environmental and Social Framework, which offers broad and systematic coverage of environmental and social risks with advances in transparency, non-discrimination, public participation and accountability. Coordination with CONAF's Information, Complaints and Suggestions Office (OIRS) was strengthened through the inclusion and improvement of the procedure associated with the ERP's Complaints and Suggestions Mechanisms (CSM). Finally, a National Safeguards Approach Proposal for the ENCCRV has been developed and socialized by the UCCSA safeguards specialists, in line with the commitments made by the country within the framework of the ENCCRV. More details of these advances are presented in Annex 1.

- Advances in the payment by results phase:
- i. The country's first results-based payment project, called the +Bosques project, began in August 2020. During the period 2020-2021, the project began its preparation stage with the hiring of professionals at the central and regional level for the implementation of the project, in addition to defining the basic arrangements and guidelines for its implementation. In 2021, progress was made in the implementation of three projects in the Maule Region, with a total of 43 ha benefiting from afforestation activities, 10.1 ha from restoration, and 63.4 ha from post-forest fire restoration activities.
- ii. In parallel, in June 2021, the 4th edition of the ENCCRV Benefit Sharing Plan (BSP) was published, and the Operational Manual for the implementation of the BSP was developed within the specific framework for the ERP, which constitutes the basic framework for the implementation of the payment by results phase of the ENCCRV and the ERP. This ensured the country's compliance with the effectiveness conditions established for the validation of the ERP Payment Agreement (ERPA).

# Strategy Update to mitigate/and or minimize potential displacements

The ERPD 2016 document from Chile proposed that the most important way for ENCCRV to avoid displacements would be to implement action measures at the national level. Under this approach, the likelihood of displacement becomes significantly lower. This way remains the most relevant in the ER Program reporting period, as ENCCRV actions are effectively being implemented across all regions of Chile and not just those in the AA. Nevertheless, the ERPD mentioned possible local displacements could occur inside the AA, for which measures associated to some of the main drivers identified were proposed.

In 2018, the <u>document</u> "Additional background for the update of the Chilean ER Program, according to recommendations by the Chair's Summary in the 15<sup>th</sup> Meeting of the Carbon Fund", does not refer to any changes in the strategy for mitigating and/or minimizing these possible displacements. If that is so, the strategy used to mitigate displacements inside the AA remains as such, i.e., through measures designed for some of the main causes or drivers associated to forest degradation and deforestation, which have been updated as such for the period of this report:

DD cause/driver	ERPD proposed strategy to reduce displacement risks (2016)	Strategy update for report period (2020-2021)
Unsustainable use of vegetation resources.	With the forestry management actions proposed by the ENCCRV to address this driver, a risk of emission displacement is generated due to the reduction of the potential extraction volume by forest owners under planning criteria. The strategy proposed to reduce or avoid such displacements consists in increasing sale prices under a higher valuation for sustainably sources wood. In this manner, owners can extract less wood without impacting their revenue. This is achieved through improved productive chains, moving forward in the sustainable firewood and wood certification process for obtaining better prices. On the other hand, the ENCCRV will seek to lower production costs for owners through tax reductions and improved monitoring to promote sustainable forest management.	Multiple support activities for productive chains, oversight and planning in sustainable management have been carried out within the ER Program, so this strategy remains current and active. The activities are related to initiatives considering improvements on firewood productive chains focused on reducing market informality and therefore enabling sustainable management. Some of these actions included supporting beneficiaries in order to raise financing the production, processing or commercialization of goods and/or services, associative business development planning, farmer certification and associativity network development.

DD cause/driver	ERPD proposed strategy to reduce displacement risks (2016)	Strategy update for report period (2020-2021)
cause/univer	11585 (2010)	The only component of the strategy without developments has been the tax reduction for sustainable producers.
Forest fires	With the fire prevention actions proposed by ENCCRV to address this driver, such as preventive silviculture, there is a risk of emissions displacement by promoting forest biomass extraction actions (Fire and fuel gaps). The strategy proposed to avoid and reduce such emissions entails, on one hand, detailed planning of each activity to identify the best way to remove a minimum amount of biomass with the greatest impact on fire risk reduction, and on the other, using the extracted biomass in wood – based products that fix carbon in longer terms.	Multiple training activities in fire prevention silviculture and productive linkage for owners and producers have been conducted within the framework of the ER Program and ENCCRV. Pilot experiences have also been developed, making it possible to advance in the technical validation of fire prevention silviculture and include the costs of such projects in the value table of Law No. 20,283. Given this, it can be said that this strategy is current and active for this risk.
Forest being used for livestock farming	Establishing buffer zones for livestock farming in forest areas is one of the measures proposed by the ENCCRV for addressing this driver. There is a risk of this measure generating emissions displacement, as cattle will have to be moved to other grazing areas and cause degradation. The strategy for reducing such risk is based on supporting the development of global livestock management plans, leading to a more efficient use of plains, forest grazing systems and summer grazing management.	Property planning activities have been conducted in the framework of the ER Program and ENCCRV integrating various land uses and productive activities (Livestock and forestry). UTREs have also developed such property plans for various pilot properties. On the other hand, the GEF MST project, which includes one of the AA regions, has generated pilot experiences and capabilities in management at a property scale, maximizing productive efficiency and the structured use of State promotion instruments. Given this, it may be stated that this strategy is current and active for this displacement risk, which is considered to be medium. Reinforcing such actions through training instances in other regions will be evaluated.
Agriculture and livestock expansion	In order to mitigate the potential of deforestation emissions due to this driver to transition towards forest degradation, the proposal is to promote the conservation of native forests with financial support through the incorporation of forest conservation variables in Law 18,450 on irrigation promotion and Law 20,412 on sustainability of agricultural lands. Then, farmers and livestock owners will have another sustainable source of revenue to compensate for the potential loss of their previous livelihood if changes to forest conversion promotion by means of Laws No. 18,450 and 20,412 were to deter them from expanding their agriculture lands over natural vegetation.	There have been no developments in the incorporation of forest conservation variables to Laws No. 18,450 and 20,412; therefore, this strategy is neither current nor active. The viability of achieving such regulatory adjustments during the period of the Emission Reduction Payment Agreement (ERPA) is on an evaluation process and failing this, a new strategy will be explored for this risk of displacement as it is considered low.
Expansion of monoculture forests	This situation could spread to regions in the north of the ER Program Area due to strong economic returns from plantations there. Maps from the Land Registry indicate	As part of the measures related to planning at the territorial level, it is expected that priority

DD cause/driver	ERPD proposed strategy to reduce displacement risks (2016)	Strategy update for report period (2020-2021)
cause/driver	that this is a relatively common transition in these regions, particularly the substitution of tree-filled scrubland, which is now considered a native forest. However, national mitigation measures, such as improved auditing of the CONAF, environmental awareness and the recognition of native forests, should avoid this type of displacement. Focusing on mitigation in terms of planning and territorial legislation with a view to prohibiting such substitution in certain areas could cause displacement to other areas within the ER Program Area. However, planning also involves designating optimal areas for establishing new exotic plantations where substitution would cause less environmental damage, thus diminishing the potential for displacement.	areas for exotic plantations will be delimited through the Regional Territorial Planning Plans. The above, considering that in 2018 Law No. 21,074 was enacted regarding the strengthening of the regionalization of the country and which modifies Law No. 19,175. The objective of this law is to regulate the preparation and approval of Regional Territorial Planning Plans in coherence with the regional development strategy, the national territorial planning policy, the long-term climate strategy and the regional climate change action plan.  The plans are characterized by being instruments that guide the use of the region's territory for sustainable development, define strategic guidelines and macrozoning of the territory, establish binding conditions for the location of waste, infrastructure and productive activities and recognize areas under State protection.

# Effectiveness of organizational arrangements and involvement of partner agencies

CONAF possesses a governance structure at the national and regional level that has allowed it to effectively implement the ER Program and ENCCRV actions. The organizational structure of CONAF is based on a clear chain of command with well-defined instances and roles, also including agile information systems. It has allowed for the generation of governance instances along with internal functional arrangements to institutionalize and operationalize ENCCRV actions in the regions of the ER Program. As an institution spread across various territories, CONAF has a central office led by an Executive Directorate, Management, Advisory Units and Department which all contribute to the implementation of the strategy at the regional level. The Forest and Xerophytic Ecosystems Conservation Management (GCEBX, acronym in Spanish) is responsible for directing and leading the ENCCRV.

The units and departments associated with the ER Program in the reporting period are, from the central level, the Climate Change and Ecosystem Services Department (DCCSE, previously UCCSA acronym in Spanish) as the leading technical entity, the Secretariat of Indigenous and Social Affairs (SAIS, acronym in Spanish), the Prosecution Office, and the Environmental Assessment Department. Also, the Interagency Committee on Climate Change of CONAF, permanent instance with the function of coordinating all institutional actions associated to the ENCCRV, has ensured the institutionalization of both the technical activities and safeguards treatment. This structure has allowed for the development of the Strategy to be systematic, efficient and be progressively inserted in the institutional work for the scope of the proposed goals and objectives. DCCSE has also been a key instance at the central level for enabling the ENCCRV result – based payment phase. Acting as a Focal Point for REDD+, it has coordinated international cooperation associated with REDD+, also being in charge of the administrative, financial and technical aspects of projects, including the approach towards consideration and compliance with safeguards.

In addition, the <u>CONAF Civil Society Council (COSOC, acronym in Spanish)</u> has also participated, being a citizen participation mechanism that is advisory in nature (non - binding), whose actions are reported to and its recommendations incorporated to each of the areas of technical work, including developments in the implementation of ENCCRV. In Meeting #2 of 2019, besides from applications to the <u>Green Climate Fund (GCF)</u> and the FCPF Carbon Fund being informed, treatment of safeguards for project implementation in the ER Program area was also presented.

At the local level, and as a way of ensuring the effectiveness of institutional management in the implementation of ENCCRV at the regional level, there are DCCSE representation offices in all regions that are part of the ER Program. This role is fulfilled by a Coordinator of Climate Change and Ecosystem Services, who reports administratively to the Climate Change and Forest Departments (DBOCC, acronym in Spanish). These are professionals with a long-standing institutional track record, with experience in project management and community relationships. In those regions where ENCCRV pilots and/or projects have been developed, these coordinators actions have been reinforced by support professionals, who contributes towards management of projects in general and safeguard follow up, monitoring and reporting, as is the case for Regional Managers for Indigenous and Social Affairs.

Regarding the efficiency of institutional arrangements for the generation, reporting and integration of information with other State agencies, it is worth mentioning that the sources of basic information for the implementation of the ER Program Monitoring Plan, based on the National Forest Monitoring System, have been, i) Cadastre of Vegetation Resources and statistics on forest fires developed by CONAF, ii) the Continuous Forestry Inventory developed by the National Forestry Institute (INFOR, acronym in Spanish), both institutions part of the Chilean Ministry of Agriculture (MINAGRI, acronym in Spanish). Statistics on areas affected by forest fires have been permanently updated through the Digital Information System for Operations Control (SIDCO, acronym in Spanish) and reported in a yearly basis for each season in the period. Besides the aforementioned basic information, there is a set of second order information, which has to be generated within the ER Program Monitoring Plan framework, such as density plot or stock charts for estimating degradation in all AA forest types, which is being worked on through a specific agreement between CONAF and INFOR.

Regarding consistency between the Forest Reference Level and the National Greenhouse Gas Inventory (INGEI, acronym in Spanish) developed by the Ministry of the Environment (MMA, acronym in Spanish), the CONAF and INFOR technical teams have been the technical entities in charge of building the greenhouse gases inventory for the Silviculture and Other Land Uses sectors along with ensuring the alignment between the methods applied, with the purpose of improving and maintaining the consistency of both instances. The necessary institutional arrangements to formalize the joint work between services and ministries have been made, such as the Intra – Ministry Technical Committee on Climate Change (CTICC, acronym in Spanish), instance coordinated by the Office of Agricultural Studies and Policies (ODEPA, acronym in Spanish) and composed of all MINAGRI services acting as reviewers for the ER Program and all ENCCRV initiatives, strategic and technical orientation, decision reinforcement and progress report review.

Finally, as international cooperation from different sources has continued and intensified (Section 1.1.1), CONAF has generated and enhanced an internal governance structure to manage international cooperation and strategic partnerships with implementing agencies that provide administrative and technical support, principal among them being the relationship with the Food and Agriculture Organization of the United Nations (FAO).

# **Financial Plan Updates**

It was proposed in the ERPD Chilean document of 2016 that the ENCCRV implementation would require an estimated budget of \$174 million dollars for 9 years, 30% of which would be unconditional and the remaining 70% (\$121 million dollars) would be conditional on the management and obtention of external resources by CONAF. Then, in the document titled "Additional background for the update of the Chilean ER Program, according to recommendations by the Chair's Summary in the 15<sup>th</sup> Meeting of the Carbon Fund" in 2018, an update is proposed for the Initial Plan.

This update has defined the budget for a nine-year period, considering available experiences and better information about the costs of action measures, variations between region and forest types, among other aspects. Therefore, to finance all ENCCRV action measures, the new financial estimate including conditional and currently available factors amounts to \$357 million dollars. This includes international bilateral and multilateral contributions, donations, and results – based payments, along with national private and government contributions. Out of all this, 23% come from international sources while the remaining 77% is national. In addition, 40% is unconditional and the remaining 60% is conditional. From the already mentioned financial sources, to meet the goals of the ENCCRV it will be critical to establish a public – private partnership work, aside from promoting regional initiatives of local funds, on which

progress has been made due to the reinforcement of capabilities installed in the various regions of Chile through preparation funds.

It is important to consider that the ENCCRV non — conditional budget corresponds to state resources allocated to CONAF through the Budget Law, and that such funds have and will continue to reinforce the compliance of ENCCRV goals. Some of the actions financed through this government source during the ER program report period in order to reinforce activities associated to reducing deforestation and forest degradation have been: i) reinforcement of the firewood energy promoters program; ii) the interoperability of the platforms of the Forestry Promotion and Development Management System (SIGEFOR, acronym in Spanish) with other CONAF platforms to enhance operability; iii) the capability of on-site teams; iv) reinforcement of the Early Warning System (SAT, acronym in Spanish) for the detection of unauthorized forest felling using satellite images and drones, v) the development of a mobile app for the detection of unauthorized forest felling, and vi) a traceability system for native forest primary products. Also, the "Communities Prepared against Forest Fires" program has been strengthened, doubling its impact on 2018 along with the development of manuals and programs for the technical implementation of 7 ENCCRV direct action measures.

As part of the new financial plan, CONAF has been working with the Agency of Sustainability and Climate Change to establish similar public – private synergies and guide actions to leverage resources for actions aligned with the ENCCRV and the ER Program. These actions correspond to fire prevention, forest planning and restoration of areas affected by forest fires through compensation mechanisms that must be applied by private companies, mainly from the real estate and mining sectors. In line with this, <u>financial instruments</u> are being formulated together with CORFO, with such instruments being used to attract private investments for native forest management mainly for wood and energy purposes. From the business sector, an agreement has been made by forestry companies, with technical support by CONAF, to direct efforts towards restoring native forests affected by massive forest fires in the 2017 season, encompassing two of the five AA regions. Also, financial resources provided by the Undersecretary of Agriculture have been added, along with a redirection of funds managed by the Foundation for Agricultural Innovation (FIA, acronym in Spanish) and the MMA through its <u>Environmental Protection Fund (FPA, acronym in Spanish)</u>. In this context, companies have invested nearly \$80 million dollars, which implied a 60% increase in relation to the average historical expenditure on such issues.

This new financial plan, in line with the Benefit – Sharing Plan (BSP) (See Annex 2), specifically mentions that 20% of the total founds obtained under ER Program payments (\$5.2 million dollars) will be used during the implementation period of the Program, with the implementation possibly being extended beyond 2025. These resources will be used to cover and develop those actions that either provide sustainability to the system or correspond to ENCCRV facilitating action measures such as inspection, regularization of property titles of ownership, environmental education, aspects related to the communication, dissemination, and reinforcement of CONAF institutional programs, among others.

Finally, the ER Program considers that 80% (\$20.8 million dollars) out of the total resources will be directed towards the population as non – monetary benefits, through technical assistance by strengthening Forestry Extension and forestry management actions where the main focus will be on lands belonging to small and medium scale forest owners, along with public lands. This dynamic applies to all payments perceived by Chile from emission reductions as established in the BSP.

# 1.2 Update on major drivers and lessons learned

<u>Update on major drivers of deforestation, degradation and non – increase of forestry sinks in the Accounting Area.</u>

The Chilean ERPD document of 2016 detailed the process of the identification, prioritization and characterization of the main drivers or causes of forest degradation, deforestation and non – increase of causal sinks for the PRE. This information was used as a basis for the proposal of the strategic actions which formed the ENCCRV action measures. For the 2020 – 2021 reporting period, no significant changes were identified in the drivers that affect native vegetation resources in the AA. Actually, the document titled "Additional background for the update of the Chilean

ER Program, according to recommendations by the Chair's Summary in the 15<sup>th</sup> Meeting of the Carbon Fund" from October 2018, does not mention any aspects regarding changes or updates on this issue.

The drivers analysis presented in the Chilean ERPD was conducted with a methodology that included the collection and systematization of information about participative processes and specialized consulting. These analyses have not been conducted again in the reporting period, therefore, the update on the status of the drivers presented below corresponds to a proposal based on updated statistical data, technical analysis of professional teams, and sectorial trends in the reporting period.

Causes or Drivers of forest degradation, deforestation and non – increase of sinks  DIRECT CAUSES <sup>2</sup>	Relevance defined in ERPD 2016	Relevance 2020- 2021 reporting period	Observations/sources of information
Forest fires	Very high	Very high	Remains the most important cause of degradation and deforestation in the AA, according to statistics from CONAF.
Unsustainable use of vegetation resources for production	Very high	Very high	Remains a cause of very high relevance, as there is still a significant amount of informality and unsustainable exploitation of native forests (Above 80%), mainly for firewood extraction, as its use is above 9 million cubic meters per year in the AA, according to firewood consumption data for 2018 and 2019 by INFOR.
Unsustainable use of vegetation resources for livestock	High	High	Remains a driver of high relevance, as grazing still persists in native forests for all ER Program regions in the AA. There are no systematized statistics, but it is a widely recognized reality.
Forest monoculture expansion	High	Low	The degree of relevance of this driver has decreased, as annual surfaces where native forests are replaced with forest monocultures have decreased since 2014, according to statistics on changes in land use in the CONAF Cadastre and the analysis of emissions caused by the degradation from the transformation of native forests into forest plantation, as in the REDD+ Annex for Chile in 2018.
Agriculture and livestock activity expansion	Medium	Low	The degree of relevance of this driver is decreased, as the annual surface of areas with native forests where agriculture is allowed has decreased since 2014, according to statistics on changes in land use in the CONAF Cadastre and the analysis of emissions caused by deforestation from the REDD+ Annex for Chile in 2018.
Urban and industrial activity expansion	Medium	High	The degree of relevance of this driver has increased, as even though statistics of deforestation and changes in land use have declined in general for the AA, there is an important regional trend towards the increase of property subdivisions for plots and property divisions with the aim of developing real estate projects in forest areas. There are no systematized statistics, but it is a widely recognized reality.
Industrial activity expansion	Low	Low	The degree of relevance of this driver has remained low, since the statistics of deforestation and changes in land use due to the expansion of the industry continue to be in insignificant areas of the AA. according to statistics on changes in land use in the CONAF Cadastre (REDD+ Annex for Chile in 2018).

<sup>&</sup>lt;sup>2</sup> The names of the causes have been updated as per the official ENCCRV document from 2016.

Causes or Drivers of forest degradation, deforestation and non – increase of sinks	Relevance defined in ERPD 2016	Relevance 2020- 2021 reporting period	Observations/sources of information
Effects of climate change, desertification, land degradation and drought	Medium	High	The degree of relevance of this driver has increased, as it has become clear that the impacts of the Megadrought affecting a large part of Chile have intensified. Such effects have been stronger in the native forests of the regions to the north of the ER Program and associated to a Mediterranean climate (Miranda et al., 2020; Garreaud et al., 2017). Also, risk scenarios projected in the Climate Change Risk Atlas (ARCLIM, acronym in Spanish), indicate that this scenario will be permanent in nature due to climate change, even moving towards southernmost territories. These projections, together with the raise in temperature and heat waves, will increase the likelihood of forest fires (Gonzalez et al., 2018). CONAF is planning to conduct relevant studies to determine the magnitude and repercussions of this phenomenon in the ER Program.
Plagues and diseases	Low	Medium	The degree of relevance of this driver has increased, as the risks of new pests entering Chile or existing ones propagating due to recurring climate phenomena are increasing (SAG, 2019).
Effects of contamination	Low	Low	These drivers were not described in detail in the ERPD,
Overexploitation of water	Low	Low	since they were not prioritized according to the analysis
Soil erosion	Low	Low	carried out by the ENCCRV and there was a significant uncertainty from the sources of information to characterize them. It is assumed that they maintain their low relevance.
INDIRECT CAUSES		1	<del>-</del> 1 1 1 C 1 C 1 C 1 C 1 C 1 C 1 C 1 C 1 C
Public policy deficiencies for regulation	Very high	Very high	The level of relevance of this driver remains very high to medium, as even though efforts have been made to advance in the improvement and promotion of regulatory instruments for the forestry sector, a large gap still persists, and the existing instruments are neither sufficient nor adequate for meeting goals and achieving sectorial climate challenges.
Deficiency in public policies due to promotion or development	High	High	The level of relevance of this driver remains high, as even though efforts have been made to advance in the improvement and promotion of regulatory instruments for the forestry sector, a large gap still persists, and the existing instruments are neither sufficient nor adequate for meeting goals and achieving sectorial climate challenges.
Poor knowledge and cultural valuation of vegetation Resources	Very high	Very high	The level of relevance of this driver remains very high relevance driver, as even though many actions focused on environmental education, awareness, and training under the ER Program and the ENCCRV have been implemented, there is an important gap represented by bad practices and unsustainable actions still occuring in native forests.
Informality in firewood markets	High	High	The level of relevance of this driver remains high, as a significant amount of informality and unsustainable exploitation of native forests for firewood extraction persists (over 80%), since its use is above 9 million cubic meters per year in the AA regions, according to firewood consumption data for 2018 and 2019 provided by INFOR.
Rural poverty, lack of opportunities	High	High	The level of relevance of this driver remains high, as rural poverty and vulnerability still persist in AA regions.

Causes or Drivers of forest degradation, deforestation and non – increase of sinks	Relevance defined in ERPD 2016	Relevance 2020- 2021 reporting period	Observations/sources of information
Deficiency in public policies due to limited oversight capabilities or enforcement	Medium	Medium	The level of relevance of this driver remains medium, as even though many actions focused on training, improvement of technical and technological capabilities and awareness have been present under the influence of the ER Program and the ENCCRV, there is an important gap that needs to be addressed, and CONAF oversight capabilities are limited in scope.
Low profitability, opportunity costs	Medium	Medium	The level of relevance of these drivers remains medium,
Economic Model Deficiency for the Use of the Native Forest (NF)	Medium	Medium	since there have been no significant changes in financial returns and opportunities associated with the management of native forests.
Disputes or problems due to fragmentation of property	Medium	High	The degree of relevance of this driver has increased, since there is a significant trend in the AA regions towards an increase in property plot subdivisions and divisions with the aim of developing real estate projects in wooded areas. There are no systematized statistics, but it is a widely recognized reality.
Disputes or problems due to property tenure	Low	Medium	Land tenure problems have been and continue to be a relevant issue in the AA regions, and its impact as a driver has increased, considering that most of the forest promotion programs and implementation projects within the framework of the Climate action, require forest owners to have their land tenure situation regularized. This situation leaves many potential beneficiaries out of these programs.
Deficiency of the forest institutional framework	Low	Low	It continues to be a driver of low relevance since although there are still important gaps to improve and consolidate forestry and environmental institutions in Chile, these gaps should not have a significant impact on the processes of degradation, deforestation, and the non-increase of sinks.
Lack of association for farmers	Low	Low	It continues to be a driver of low relevance since although there is still low productive associativity among forest owners, this gap should not have a significant impact on the processes of degradation, deforestation, and the non- increase of sinks.
Stigmatization of forest plantations	Low	Low	It continues to be a driver of low relevance since although the stigmatization of forest plantations has increased, this situation should not have a significant impact on the non-increase of sinks, even more so considering that the ENCCRV has restricted afforestation actions in the exclusive use of native species.
Management plans do not ensure sustainable use	Low	Low	It is assumed that the level of relevance of this driver remains low since the area managed under these plans is still small, and there has also been progress in the capacities to support and monitor the correct application of these plans. There are no systematized statistics, but it is a widely recognized reality.

# 2 SYSTEM FOR MEASUREMENT, MONITORING AND REPORTING EMISSIONS AND REMOVALS OCCURRING WITHIN THE MONITORING PERIOD

#### 2.1 Forest Monitoring System

Organizational structure, responsibilities, and competencies, linking these to the diagram shown in the next section

The National Forest Monitoring System (NFMS) of Chile has been established for monitoring forests in the country and operates on existing systems supported by various institutions which underpin and maintain it, which produces a functional link among its multiple building elements.

The NFMS in Chile is coordinated by CONAF, institution serving as REDD+ Focal Point to the UNFCCC (CMNUCC in Spanish) in accordance with Decision 10/CP.19. CONAF operating under the MINAGRI who gives the REDD+ Focal Point to the Climate Change and Ecosystem Services Department (DCCSE) of the Forest and Xerophytic Ecosystems Conservation Management (GCEBX, acronym in Spanish). As the REDD+ focal point, DCCSE has the responsibility of being the organization in charge of coordinating the generation and reporting of elements linked to REDD+, which includes the responsibility of coordinating the NFMS, reporting and generation for FREL/FRL and REDD+ result reports.

Inside CONAF, there are other units with the main responsibility of generating activity data. Among them, the Climate Change and Ecosystem Monitoring Department (DMECC, acronym in Spanish) of the Environmental Evaluation and Oversight Management (GEF, acronym in Spanish), has a primary role for the generation of base information. DMECC is responsible for implementing the mandate established by Law No. 20,283 of 2008, which establishes that CONAF "Will maintain a Forest Cadastre, which is to identify and establish, at least cartographically, the forest types that exist in each region of Chile".

The Forest Cadastre, called "Cadastre of Native Forests and Vegetation Resources", is the main source of information for the development of Land – Use Change Maps, also developed by DMECC for the continuous monitoring of vegetation cover in Chile.

As the next figure shows, CONAF also includes the participation of the Forest Fire Protection Management (GEPRIF, acronym in Spanish) through the provision of information by means of the Operation Control Digital System (SIDCO, acronym in Spanish) and GEF using the Forestry Administration and Control System (SAFF, acronym in Spanish).

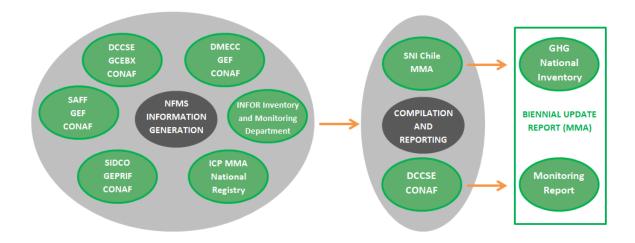


Figure 1. NFMS Organizational Structure of Chile.

Within GEPRIF, The Protection against Forest Fires Department and its Digital Information System for Operation Control (SIDCO), provides annualized statistical information on the occurrence of forest fires in the entire country. On the other hand, SAFF provides information about the implementation of forestry management plans. Finally, also within CONAF, The Protected Wilderness Areas Management (GASP, acronym in Spanish) is responsible for providing information on conservation areas in the National System of Wilderness Protection Areas or SNASPE.

Together with the CONAF units, activity data for the NFMS is provided by the Forestry Institute INFOR and the Ministry of the Environment (MMA, acronym in Spanish). INFOR is established as a private law corporation, part of MINAGRI, with such institution providing public funding for the design, technological development, implementation, and execution of the National Forestry Inventory.

Information about emission factors for forest monitoring comes from the National Forestry Inventory or INF, administered by INFOR which is also used by the Chilean National Greenhouse Gases Inventory System (<u>SNIChile</u>), administered by the Climate Change Office, which arises as a response to the need to inform the citizens about GHG emissions and removals in the country.

Emission factors are monitored by INFOR through inventory plots and reported annually through IFN national reports. Emission factors are applied to the NFMS by forest type and/or region, depending on the REDD+ activity evaluated.

The Ministry of the Environment is the State organ in charge of working with information provision on private conservation initiatives (ICP, in Spanish), for their incorporation to the accounting of areas subject to conservation. The National Registry of Protected Areas was established within the MMA, which operates as an information platform where the 9 categories are considered protected areas (Marine Park, Pristine Regions Reserve, National Park, Natural Monument, Forest Reserve, National Reserve, Marine Reserve and Multiple Use Coastal Marine Areas), aside from Private Protected Areas and Community / Private Conservation initiatives, encompassing the entire national territory.

# The selection and management of GHG related data and information

The information and data selected to be incorporated to the NFMS, have been defined by Chile in the ERPD on which the subnational FREL/FRL was established. Selected information and data remain for this monitoring report, being managed by DCCSE for the monitoring and reporting.

# Activity data: Land use and land use changes maps<sup>3</sup>

Land use data selected for the FREL/FRL were those coming from existing Native Forest Cadastres in regions of the Accounting Area. The information provided by the Cadastre is regularly updated by the Climate Change and Ecosystem Monitoring Department (DMECC) of CONAF, describing 9 Land uses and 20 Sub – uses, along with other breakdowns by altitude, cover and structure.

Nevertheless, as indicated in Annex 4 of the first Monitoring Report, the reference level was corrected by incorporating spatially explicit use change data estimated based on reference maps for evaluation instances 2001 and 2013. Such maps are developed through the implementation of a semi – automated methodology for change detection that operates on Landsat images analyzed in Google Earth Engine by applying the land use definitions defined by Chile in the Cadastre of Native Forests.

### REDD+ activities and sub – activities that occur in forest remaining forests

The data selected for the estimation of emissions and captures from activities that occur in forest remaining forests are those indicated in the ERPD and refer to data coming from plots in the Continuous Inventory of Forest Ecosystems or National Forest Inventory (IFN) by INFOR, combined with spectral information from the Landsat series. This information integrates forest state variables on the number of trees per hectare and basal area registered in the IFN plot monitoring, with Landsat spectral data in order to estimate carbon stocks in a spatially explicit manner.

<sup>&</sup>lt;sup>3</sup> Land Use Change Maps are available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/mapas/CUT-MR2.zip">https://plataforma.enccrv.cl/static/erpa/mr2/mapas/CUT-MR2.zip</a>

### Satellite Information

The generation of activity data in land use change activities and change detection is developed based on spectral information from the Landsat data. To obtain satellite images that are representative of the beginning and end of each period, NFMS has been corrected through work with multi – pixel mosaics that require a time range for the search for cloud free images and the selection of the pixels that comprise such images. The multi – pixel mosaic is an image comprised of pixels from various images, extracted from the definition of a time range or window. The selection of each pixel seeks to define the best available information for a given area, with the priority being pixels free of clouds and shadows of such clouds.

Given the large number of clouds in the south of Chile, this time window will correspond to a range of  $\pm$  3 months for the starting date of the period and the end date of the analysis period respectively, as it corresponds to the dry season period in Chile. As an example, for the 2018 – 2019 where the starting date is January 1, 2018, the time range or window will cover between October 1, 2017, to March 31, 2018. For the end of the period until December 31, 2019, the time range for multi – pixel mosaic estimation will address from October 1, 2019, until March 31, 2020.

For pixel selection, a code is applied in GEE where median NDVI values are selected for pixels corrected to land surface. NDVI medians are selected with the purpose of not incorporating phenological states of vegetation with high photosynthetic activity or vigor, but rather selecting values that do not alter the outcome of the method application.

#### Information administration and Management

The management of the information that comprises the NFMS is led by the Climate Change and Ecosystem Services Department (DCCSE) of CONAF, by means of a cloud-based infrastructure. For the development of FREL/FRL, the associated information was managed through spreadsheets stored in desktop computers, backed up in external storage devices.

Currently, data management is done through cloud storage using Gmail and OneDrive platforms. A series of folders have been organized in order to favor versioned and organized information storage, to which access is granted through various permissions to the people who participate in the estimation process. The folders are divided into base information, documents, tools, reports, and work for each of the NFMS reporting elements.

The base information provided by the DMECC and INFOR, along with the auxiliary information which feeds the monitoring, are stored in different folders that can be accessed by the working teams that generate such data. Each folder may contain different versions of the data, which is documented through files that account for the changes between versions. The versioning description is the joint responsibility of the DCCSE team and the information generating team.

The data that comprise the NFMS and allow for the generation of reports are public in nature and made available to the community through links to downloadable files in the reports published by Chile. CONAF is responsible for the information as the REDD+ focal point that generates estimates and develops the reports, therefore being the owner of their intellectual property.

# Processes for collecting, processing, consolidating, and reporting GHG data and information

The main processes for collecting, processing, consolidating, and reporting GHG emissions in NFMS are described below.

- Activity data generation processes

Activity data generation is also divided into land use change activities, obtained from land use change maps, and activities on forest remaining forests, these being associated to the development of carbon flow and stock maps for forest degradation.

These two elements are generated through two base official inputs, respectively: Land use type surfaces and land use change surfaces from maps of changes in land use based on the Native Forest Cadastre and Carbon content and

variation in forest carbon content from the Forest Inventory. Both processes begin with the development of satellite mosaics.

# a) Land Use and Land use change map development

The development process for use and land use change maps has been a joint development by DCCSE and DMECC, with the purpose of defining forest related land use changes for determining REDD+ activities and sub activities.

For the 2020-2021 monitoring period, the process considers the development of one Land Use Change Map per region, based on satellite mosaics and the MIICA<sup>4</sup> change detection method. To achieve this objective, it was necessary to establish change thresholds that ensure the spectral values register empirical changes. Change categories to be used are those mentioned in the CONAF "Methodological protocol for the development of land use and land use change maps in Native Forests as of 2016".

#### Land Use Change Map Validation

The land use change map is implemented by comparing the results achieved in maps to reference observations obtained through open-source platforms available at Open Foris: SEPAL, Open Foris Collect and its Google Earth interface, Collect Earth.

The validation process starts with the implementation of a pre – sampling to estimate the accuracy of each IPCC land sub use.

The polygons from the land use change map which are overlapped are first selected from the previously obtained pre sampling points and then, entered in Google Earth in .kml format so reference data (ground truth) can be collected with support from Collect Earth surveys. Both data collection and user accuracy estimation are conducted in the same way as the sampling, through confusion matrixes.

Reference data are selected based on the information obtained in the pre sampling, through a random sampling design stratified for each IPCC land sub use in each region. This sampling type also allows to report the accuracy and surface evaluated for each category in the results, aside from adjusting a sample size for each that ensures global reliability in the evaluated areas (Olofsson et al., 2014).

Surface per IPCC land sub use information in vectorial format is necessary for the sampling design, reducing map input and processing times in the server. User accuracy parameters for each land sub use are obtained from the information obtained in the pre sampling stage, which are then entered into the platform as expected user accuracy values, considering a 0.01 standard accuracy error (Olofsson et al., 2014).

# Activities and sub activities related to forest remaining forests<sup>5</sup>

The process is based on the methodology detailed in Bahamondez et al. (2009), which considers the number of trees per hectare and basal area monitored by the inventory as input variables. It refers to spatially explicit information which location is known, by applying an interpolation process for carbon flux and stock in the analyzed periods.

Forest Inventory plots, from the IFN, are placed in a density plot or stock chart, based on the number of trees and basal area per hectare. The density plot considers various lines or thresholds which determine, for various forest types, their status at the time of measuring. This information identifies the state of plots, distinguishing between degraded and non-degraded plots (Bahamóndez, 2009).

In the case of the methodology applied in the NFMS, the B line or threshold will allow the degradation in forest remaining forests and restoration in degraded forests to be identified. Line B represents the limit at which trees can develop large treetops and completely occupy the site capacity without excessive competition (Gingrinch, 1967). The limit for this threshold was established through field work by experts and is specific for each forest type (INFOR,

<sup>&</sup>lt;sup>4</sup> The MIICA methodology is based on the combination of 2 spectral indices (dNBR, dNDVI) which, through integration rules, provide coverage of land use change, indicating the magnitude and directionality of the change.

<sup>&</sup>lt;sup>5</sup> CO2 maps are available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/mapas/CO2-MR2.zip">https://plataforma.enccrv.cl/static/erpa/mr2/mapas/CO2-MR2.zip</a>

2012). Line B is considered the natural resilience threshold of a forest. Plots located below the B line or threshold are not recommended for productive work.

Forest types with density diagrams available and incorporated to the degradation estimation methodology are the following: Roble – Raulí – Coihue (RoRaCo in Spanish), Siempreverde, Canelo, Lenga – Hualo (RoHua), Coihue – Raulí – Tepa (CoRaTe), Coihue de Magallanes, Spinal subtype Esclerófilo and Esclerófilo.

The IFN is designed under a two-stage statistical design concept, in clusters of three concentric circular plots of an area equivalent to 500m<sup>2</sup>, distributed in a 5x7 km systematic grid. The inventory is based on the generation of a first measurement cycle for permanent sampling plots covering 9.38 million hectares of native forest between the Coquimbo and Magallanes regions, completed in the 2001 – 2010 period, together with a second yearly basis measurement cycle under the partial replacement system with support from growth projections.

#### GHG data and information consolidation and integration

The previously described inputs are integrated into geospatial relational databases associated to spreadsheets, which pick up and systematize information about activity data and emission factors for the inputs generated following a structure in accordance with the necessities of REDD+ activities.

DCCSE is responsible for the consolidation of information, integration, emissions and captures estimation for REDD+ activities, with such consolidation being implemented by the MRV Monitoring, Reporting and Verification team. The use of semi-automated software tools has the main goal of minimizing human errors, increasing result consistency and transparency through the association between these spreadsheets and a PostgreSQL database. This process also adds improvements concerning result check and update times.

The protocol for estimate integration and execution, aside from the spreadsheets summarizing estimate results divided by REDD+ activities integrating results for the updated monitoring period and FREL/FRL can be found as an annex to this document.

The data integration process operates on the PostgreSQL database server, to which the main and auxiliary NFMS information, land use change maps, carbon content map and estimate parameters are loaded. Change map vectorial coverages are used in. gdb formats, while rasters are integrated from map associated .dbf files.

Information entry to the database for estimate execution is supported by a series of geographic and topologic validation rules, data attributes and content, to avoid subsequent errors during estimations or errors and inconsistencies in the results. Data is repaired, corrected, and prepared for integration during these validations. Among all the processes being run, one of the most important tones is the estimation of surfaces per REDD+ activities, equivalent to activity data.

Finally, the data uploaded to postgreSQL interacts with Excel <sup>6</sup>to run the estimation process. This connection takes place through the ODBC Open Database Connectivity connector. The data is then entered into the excel spreadsheets where result estimation is run.

#### Systems and processes that ensure the accuracy of the data and information

The NFMS has processes established to ensure the accuracy of information, which also contribute to improving the accuracy, transparency, integrity, consistency, and comparability of estimations conducted.

# Land use change maps quality control

The quality control process for land use change maps has the main objective of identifying discrepancies and inconsistencies in the results obtained. Considering a semi-automated methodology where some stages are executed through programming code is applied, it is necessary to perform checks on the end product.

Quality control has been developed by DCCSE to be applied to the products delivered by the DMECC about change maps and is mainly focused on detailed map database and attribute reviews, along with layer geometry. Once discrepancies have been identified, they are submitted to the team responsible for their resolution, and then it must

<sup>&</sup>lt;sup>6</sup> Instruction are available in https://plataforma.enccrv.cl/static/erpa/mr2/db/ConectarExcelConPostgreSQL v3.pdf

be verified if such discrepancies still remain. It is also necessary to document all methodological steps applied, in such a way that a record of continuous improvement is established.

# Methodological protocol for the development of land use maps and land use change maps in Native Forests

The objective of this protocol is to describe all procedures, inputs, data sets and methodological steps needed to generate thematic cartography and statistical reports at the technical level on land use extension, distribution and coverage changes from the digital processing of satellite images, to allow for their replication and reconstruction. Some of its specific objectives are:

- Establish a methodology for the evaluation of land use and land use changes in Native Forests with biennial frequency.
- Generate use and change (directionality) coverages for Native Forest land use in the Maule, Ñuble, Biobío, Araucanía, Los Ríos and Los Lagos regions.

#### Protocol for the development of carbon stock, flux and degradation maps in forest remaining forest

The methodology for estimating forest degradation, applied by INFOR, is based on the integration of satellite information provided by CONAF and the use of information from national forest inventory plots. The use of satellite images must guarantee necessary adjustments for the application of the degradation algorithm. This process is semi-automated by using multi pixel mosaics downloaded from Google Earth Engine. The protocol establishes the requirements of spatial information, dasometric information and data processing needed for calculations.

The application of this process results in thematic maps that combine the information of parcels which information is known, then spatially intersected with state variable and spectral information data.

# <u>Uncertainty Estimation System for Land Use Change Maps</u>

The main ways to estimate the accuracy of land use and land use change maps correspond to the comparison between the results of the sorting conducted on reference maps and observations corresponding to a sample. The factors that influence such estimation are sampling design and the size of the map accuracy and precision assessment sample. Errors related to changes in land uses and sub – uses according to Cadastre characterization are calculated by following the Guides on Good Practices for the estimation of use change accuracy described in Olofsson et al (2013).

Chile has a semi-automated software tool that allows to compare land use change map results to high resolution images through Collect Earth. Some of its functions and use steps are:

- 1. Generate a pre-sampling by change class.
- 2. From the results of the previously generated pre-sampling, the tool generates one sampling per class that meets the guidelines described in the Map Accuracy Reports (Maximum global error) and as in pre-sampling, this tool can be used in the Collect Earth tool where a group of expert interpreters who assess the initial and final uses of the period according to IPCC classes modified for Chile.
- 3. The software uses the sampling results to calculate uncertainty at the general and use change/region class level, along with details of emission and commission errors for each map.

# Geographic data validation for calculating results

Results estimation is implemented from geographic data of carbon and land use change maps. In order to validate such data, a process with the aim of ensuring the data meets basic conditions for spatial analysis by means of topological conditions has been developed.

Data geometry is validated in others, as it is fundamental for spatial analysis since errors detected by validation codes must be fixed before integration and calculation.

Aside from this and to reduce processing time for millions of records, an index structure for improving database performance has been developed. These indexes are applied to non-spatial values from the land use change map.

#### Applying a checklist to activity data

NFMS has a base process for ensuring information quality and consistency, which consists in applying checklists to the results of activity data obtained from the final integration and calculation tools. The process is applied by DCCSE, with the aim of having informed surfaces be completely consistent according to each REDD+ activity and region informed.

The verification seeks to ensure consistency between the surface reported for each activity and the official surface of each region, through two revisions:

- Total sum of REDD+ activity surfaces per region.
- Consistency between the surfaces reported between two periods.
- The process is applied during the integration of final calculation results and in case of finding inconsistencies, integration must be stopped, and input data reviewed.

# Design and maintenance of the Forest Monitoring System

The NFMS has been designed and structured on the institutions related to Chilean forestry resources and the processes conducted by each institution, responsible for use change maps, degradation maps and forest inventory plots, and the GHG National Inventory of Chile.

Its design has a gradual approach, starting with a reference level at subnational scale and therefore its construction has been on a step-by-step basis, with the goal of advancing towards the national scale monitoring of forestry regions.

Regarding NFMS maintenance, the main activities by each institution that allow continuing the development of necessary inputs and methodologies for guaranteeing reporting on forest status in a climate change context considering continuous improvement elements are described below:

- CONAF: as part of its mandate, CONAF is responsible for implementing native forest registries through the DMECC. Also, based on international commitments on climate change, it has assumed the responsibility to develop biennial land use change national maps that contribute to ensure reporting on climate change matters and results based payment projects. On the other hand, CONAF has made progress in the development of software tools for the development of MRV estimates and reports.
- INFOR, due to being responsible for the National Forestry Inventory, is responsible for continuing the measurements supported by the Chilean GHG reports, both from REDD+ and the GHG National Inventory. On the other hand, as a member of the Agriculture, Forestry and Other Land Use (AFOLU) like CONAF, INFOR remains close to the ERPA associated INGEI and REDD+ climate change commitments of Chile and maintains the commitment of executing the necessary processes for estimating degradation of the two next monitoring milestones, in accordance with the agreement.

# Systems and processes that support the Forest Monitoring System, including Standard Operating Procedures and QA/QC procedures

The processes that support the FNMS are described in the next SOPS:

### SOP01 Satellite mosaic elaboration (includes satellite image selection)<sup>7</sup>

This document is a guideline to select and download multi pixel satellite mosaics to monitoring land use and land use change and to evaluate forest degradation in NFMS. The document indicates the searching windows of images and pixels with the minimum required quality to be included in the mosaic elaboration.

<sup>&</sup>lt;sup>7</sup> SOP\_01 Available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP\_01\_MR2.zip">https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP\_01\_MR2.zip</a>

# SOP02 LULUCF Maps elaboration<sup>8</sup>

The SOP 2 indicates the technical procedure to detect gain and losses in forest land, for the land use change monitoring, through the Multi Index Integrated Change Detection MIICA method application.

#### SOP03 Standardization and quality control protocol for land use change maps 9

Standards or guidelines are established and used as compliance rules to standardize formats regarding historical and use change map, which contain information and traceability by region of land use, sub – use, structure, forest type, forest subtype, change and type of change for each evaluated period.

Also, a series of methodological steps consisting in a quality control for identifying discrepancies between the various versions of the historical and use change maps is described.

#### SOP04 Uncertainty assessment on land use change maps<sup>10</sup>

Correspond to standard operating procedures in writing containing detailed protocols to be followed in order to correctly attribute land uses, training procedures for interpreters/evaluators and develop a re-photointerpretation process for a series of sample units to guarantee that standard operating procedures are correctly implemented and identify areas of improvements through the use of a Platform of Uncertainty.

Visual Interpretation Classification Manual:

Written manual created as a practical, step by step tutorial meant for interpreters/evaluators that participate in uncertainty estimation processes.

# - SOP05 Forest carbon flux estimation assessment<sup>11</sup>

Develops the methodological protocol for estimating carbon fluxes in forest lands that remain as such, by integrating satellite mosaics with data series from forest inventory plots. These data are combined to determine the degradation or increase of carbon stock in permanent forest.

# SOP06 Field operation manual<sup>12</sup>

This manual details the procedures and methods to be used in the field data collection for the inventory of the resources comprised in the native forest ecosystems of the country. It includes the chapters that deal with the data and information referring to the field brigades and the conglomerates, the plots and the trees, including the variables that characterize the development environment from an ecosystem perspective. As such, it aims to rescue data and information from the different components of forest ecosystems.

#### - SOP07 Forest fire polygons<sup>13</sup>

This document establishes the procedure for the elaboration of forest fire polygons, operational, post and final fire, as an input for the evaluation of the damage caused by these at the level of plant formations, populated centers and strategic infrastructure.

### Role of communities in the forest monitoring system

The role of communities in the NFMS is connected to activities previously presented during the 2016 report, which has extended until today in this regard. In such a context, communities actively participate in the system in terms of complaints, first of all, on fire related issues, where territorial committees led by GEPRIF, and its Forest Fire Prevention Department have been established. In this point, the previous report mentioned that the use of fire as a tool in agriculture and silviculture activities is regulated by Decree No. 276 of MINAGRI, enacted in 1980. This decree regulates and establishes norms on technical and administrative procedures for fire use, mainly for agriculture or

<sup>&</sup>lt;sup>8</sup> SOP 02 Available in https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP 02 MR2.zip

<sup>&</sup>lt;sup>9</sup> SOP\_03 Available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP\_03\_MR2.zip">https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP\_03\_MR2.zip</a>

<sup>&</sup>lt;sup>10</sup> SOP\_04 Available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP\_04\_MR2.zip">https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP\_04\_MR2.zip</a>

<sup>&</sup>lt;sup>11</sup> SOP\_05 Available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP">https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP</a> 05 MR2.zip

<sup>&</sup>lt;sup>12</sup> SOP\_06 Available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP\_06">https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP\_06</a> MR2.zip

<sup>&</sup>lt;sup>13</sup> SOP\_07 Available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP">https://plataforma.enccrv.cl/static/erpa/mr2/sop/SOP</a> 07 MR2.zip

silviculture harvest residues disposal. When this decree was issued, 45% of all forest fires in Chile were generated using fire for disposing of forestry and agriculture residues without adequate planning or control measures. Nevertheless, the current situation reveals that only 6% of fires are caused due to agricultural and/or forest burning.

CONAF's online platform for the Burn Assistance System (SAQ, acronym in Spanish) facilitates procedures and processes when members of the community need to use fire, where the user conducting the controlled burning can obtain a voucher for his burn notification without having to visit a CONAF office in person. In this regard, CONAF has provided capacity building and trained communities so their users can use the system effectively and independently through the national territory.

On the other hand, and on this same point about controlled burning notifications, members of the community can also actively participate in complaint procedures that lead to fire use oversight, a situation made possible by the close cooperation between CONAF and the national police (Carabineros de Chile). In this context, initiatives such as these encourage the communities to actively participate in protecting their lands by establishing the already mentioned forest oversight committees, which for example have been developed in Maule, Biobío and Araucanía regions.

In parallel, illegal logging is another aspect related to the role of communities in NFMS. For this purpose, CONAF also has a mechanism for receiving citizen complaints via website through its third-party complaint form for alleged violations of Forestry Law of Chile available in the next link https://oficinavirtual.conaf.cl/denunciaTerceros/index.php?x=1, when there is information of any acts where a violation of the Forest Law of Chile has taken place.

Among the main complaints that can be made are: i) Unauthorized cutting of forest, ii) Cutting, elimination or stripping of Xerophytic formations without a Work Plan, iii) Non-compliance with technical studies and iv) Transportation or collection of primary products from the native forest.

For this, CONAF oversees verifying the truthfulness of the information being provided through the complaint, following a site inspection process as final verification and also setting in motion the various legal actions that are required to be filed against the alleged offender. Afterwards, CONAF sends a document to the complainant's address to notify him/her about the outcome of the complaint and the law enforcement conducted by CONAF, informing the complainant if there was a breach of the existing forest legislation and any legal measures adopted by CONAF if required.

# Use of and consistency with standard technical procedures in the country and the National Forest Monitoring System.

The approach for the measuring, monitoring, and reporting established for emissions and captures accounting is completely consistent with the procedures established by Chile for the National Forest Monitoring System, which has been developed and implemented in accordance with the technical requirements established by the UNFCCC and the Carbon Fund. It has also been subject to a technical evaluation by the Green Climate Fund panel of experts during 2019, for the results – based payment phase. The NFMS is part of the ENCCRV Monitoring and Measurement System (SMM), which besides forest monitoring is also designed to monitor neutral land degradation elements, safeguards and co – benefits.

The SMM of the ENCCRV has the information collection processes and systems that act as a basis for the NFMS. These correspond to land use change maps based on a Native Forest Cadastre for land use change activity data, the National Forest Inventory for the estimation of forest degradation, the National Wood Fuel and Carbon Inventory and the Forestry Administration and Control System (SAFF) and the Territorial Information System (SIT). These systems allow the gathering, visualization, query, and maintenance of information related to land use in Chile.

# 2.2 Updates to the monitoring approach

N/A

# 2.3 Measurement, monitoring and reporting approach

The approach applied by the country is based on the preparation of land use / land use change maps, from which the stable and changing forest areas are defined for both the reference period and the period of follow-up. The first step in the process is the preparation of the land use change map and the second is the preparation of the carbon stock map, for monitoring degradation. These are the most important points in the process.

Then, for the land use change activities, the NFMS applies the gain losses estimation approach, and the stock change approach for forest remaining forest activities. For both, the emission factors come from the national forest inventory data.

# 2.3.1 Line Diagram

A line diagram outlining the important monitoring points, parameters monitored and the integration process according to the two areas of result estimation is shown below. In addition, specific diagrams according to REDD + activity are presented in the text. The next figure shows in a summarized way, the sources of information for the generation of emissions and absorption estimations.

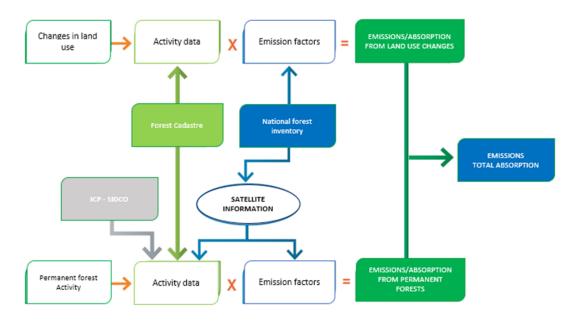


Figure 2. Sources of information for the generation of forest carbon emissions and absorption estimations.

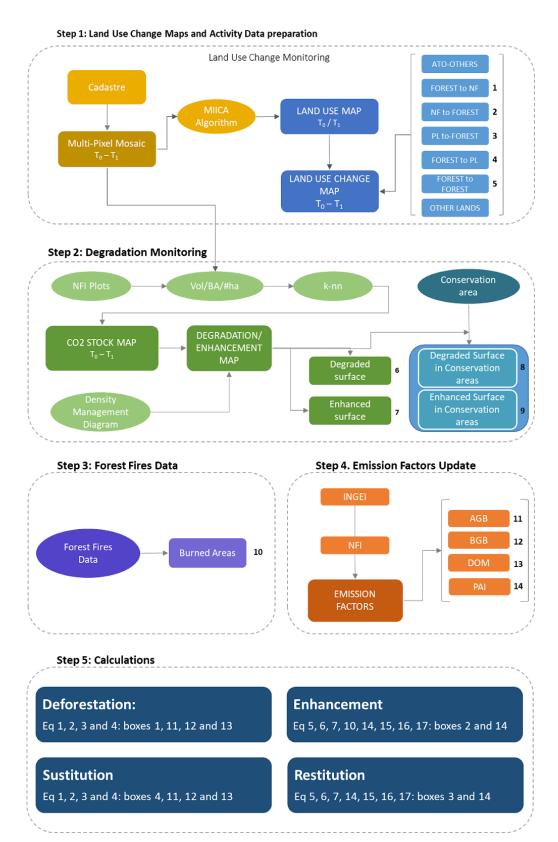


Figure 3. Methodological diagram of the Measurement and Monitoring process.

#### 2.3.2 Calculation

Removals and emissions are estimated in the NFMS by applying the IPCC 2006 equations, in accordance with the methodology applied by INGEI. The equations applied are the same ones presented in the ERPD, both for the reference period and the result monitoring. They are detailed below, by REDD+ activity:

# Deforestation 14

The methodology for calculating deforestation is based on the IPCC 2006 equations for forest lands converted into other lands, which are also used in the INGEI for calculating emissions from forests converted into other land uses. Above ground biomass, below ground biomass and DOM reservoirs are included.

# Equation 1. Estimation of Deforestation [Adapted from Eq. 2.15 of IPCC (2006)]

$$FREL_{Def} = \frac{\sum_{t}^{n} \dots \Delta C_{B_{t,Def}}}{n} * \frac{44}{12}$$

#### Where:

- Def = annual average carbon stock losses in forest lands converted into non − forest during the reference and monitoring period, in tonnes CO₂e year⁻¹.
- CBt, Def = carbon stock change in forest lands converted into non forest in year t of the reference and monitoring period, in tonnes C.
- p = years of the reference and monitoring period.
- 44/12 = factor for converting carbon into equivalent carbon dioxide, tonnes  $CO_2e$  ton  $C^{-1}$ .

Tier 3 of the IPCC methodology is used in estimations of emissions from deforestation, as carbon stocks in land uses before and after conversion are specific to Chile, with conversion areas being broken down by original land cover type (Sidman et al., 2015).

As recommended in IPCC (2006), Equation 2.15 is used to calculate annual carbon stock changes in wooded lands converted into other land use categories (in the case of deforestation, any forest area converted into non – forest)

### Equation 2 [Eq. 2.15 of IPCC (2006)]

$$\Delta C_{B_{t,Def}} = \Delta C_{G_t} + \Delta C_{CONVERSION_t} - \Delta C_{L_t}$$

#### Where:

- $\Delta C_{B_{t,Def}}$  = annual carbon stock change in forest lands converted into non forest in year t under deforestation activity (Def), in tonnes C.
- $\Delta C_{G_t}$  = annual increase in carbon stocks due to growth in forest lands converted into non forest in year t, tonnes C.
- $\Delta C_{CONVERSION_t}$  = initial change in biomass carbon stocks in forest lands converted into non forest in year t, in tonnes C.
- $\Delta C_{L_t}$  = annual loss of biomass carbon stocks due to wood harvesting, firewood extraction and disturbances in forest lands converted into non forest in year t, in tonnes C.

<sup>&</sup>lt;sup>14</sup> Excel spreadsheet available in

In this equation, changes in carbon stocks from gains and losses due to any activity other than conversion ( $\Delta C_G$  and  $\Delta C_L$ ) to net gains and losses directly due to conversion ( $\Delta C_{CONVERSION}$ ; in case of deforestation, as it generally results in a negative value due to the loss in forest carbon stocks) to calculate total changes in carbon stocks.

The NFMS of Chile includes  $\Delta C_{G_i}$  which represents carbon captures for non – forest uses after conversion (agricultural, urban, others). This variable will be given a value of zero, as it does not impact the deforestation loss analysis.

# Equation 3 [Eq. 2.16 of IPCC (2006)]

$$\Delta C_{CONVERSION_t} = \sum_{i}^{\square} \left[ \left( B_{AFTER_i} - B_{BEFORE_i} \right) * \Delta A_{TOOTHERS_{i,t}} \right] * CF$$

#### Where:

- ΔC<sub>CONVERSION</sub> = initial change in biomass carbon stocks in forest lands converted into non forest, in tonnes C year<sup>-1</sup>.
- $B_{AFTER_i}$  = existence of biomass in non forest land use type i after conversion, in dry biomass tonnes per hectare.
- $B_{BEFORE_i}$  = existence of biomass in forest type before conversion, in dry biomass tonnes per hectare.
- $\Delta A_{TO_{OTHERS}it}$  = forest type *i* area converted into non forest in year *t*, in ha.
- CF = carbon fraction of dry biomass, in tonnes of carbon by tons of dry biomass. 0.47 is the default value as per IPCC AFOLU guidelines 2006, Table 4.3.

In the case of deforestation, these two equations can be represented with two essential inputs ( $\Delta A_{TO\_OTHERSi}$ ), frequently called activity data (AD) and the amount of carbon stocks emitted due to conversion ( $B_{AFTERi}$  -  $B_{BEFOREi}$ ), frequently called emission factors (EF). Parameters  $B_{AFTERi}$  and  $B_{BEFOREi}$  only include above and below ground biomass, so DOM is included by adding parameter  $\Delta C_{DOM}$  calculated according to the following equation:

# Equation 4 [Eq. 2.23 of IPCC (2006)]

$$\Delta C_{DOM_t} = \frac{(C_n - C_o) * A_{on_t}}{T_{on}}$$

#### Where:

- $\Delta C_{DOM_t}$  = DOM carbon stock change in year t, tonnes C.
- $C_n$  = dead wood and DOM carbon stocks in non forest land use after conversion, ton C year<sup>-1</sup>.
- C<sub>o</sub> = dead wood and DOM carbon stocks in forest before conversion into non forest, ton C year<sup>-1</sup>.
- $A_{on_t}$  = area converted from forest into non forest in year t, hectares.
- $T_{on}$  = time period for the forest into non forest transition.

In this equation  $A_{on}$  corresponds to activity data, or  $A_{TO_{OTHERS_i}}$ , according to the parameter of previously described in Equation 3. In order to simplify accounting, DOM emissions will be counted in the year of conversion (meaning  $T_{on}$  is supposed to have a value of 1).

The process for calculating emissions from deforestation is summarized in the following diagram:

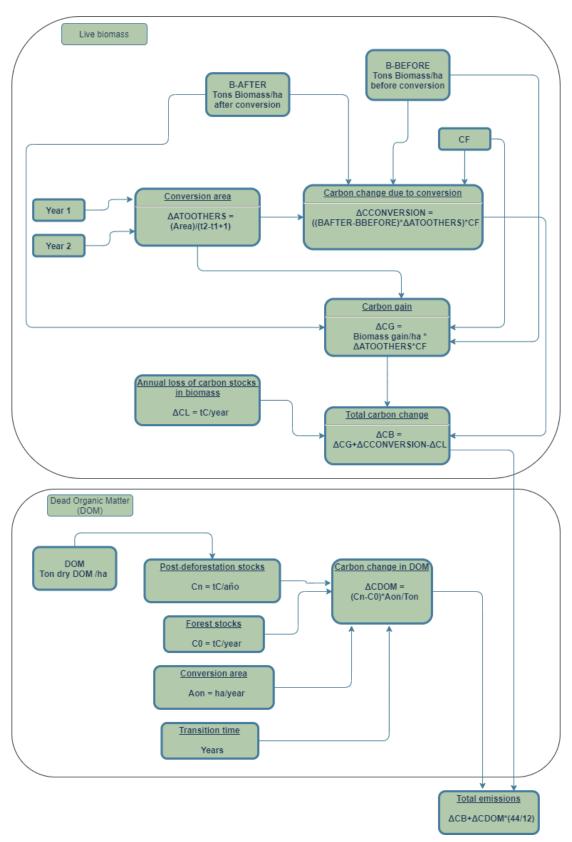


Figure 4. Step by step diagram for estimating emissions from deforestation.

# Degradation from substitution 15

The equation used for estimating deforestation is applied to estimate degradation in native forests converted into plantations, as it is assumed that for a plantation to be established, all carbon content in the preceding native forest must be reduced to zero. Equation 1 is used to calculate the reference and monitoring period in  $CO_2e$ . Step-by-step diagram summarizing the process is presented below:

 $<sup>^{15}</sup>$  Excel spreadsheet available in

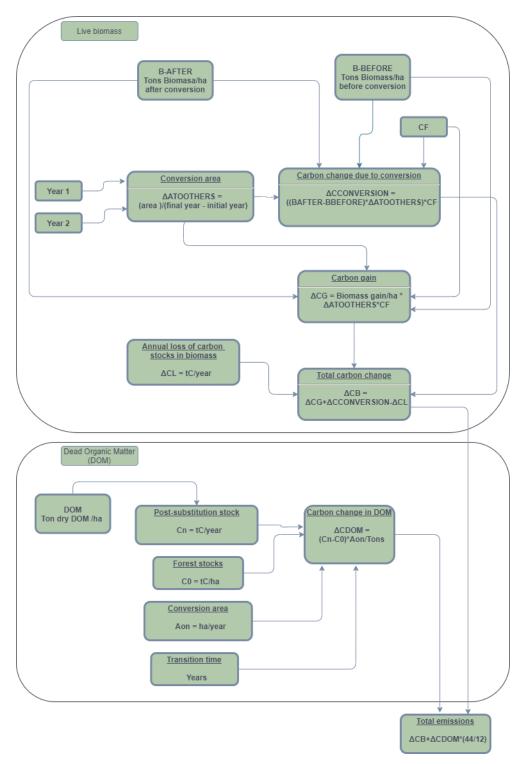


Figure 5. Step by step diagram for estimating emissions from Substitution.

# Forest area Restitution and carbon stock Enhancement<sup>16</sup>

As in the other calculated activities, the methodology for enhancements in other lands converted into forests is consistent with the methodology used in INGEI which is based on equations 2.9, 2.10 and 2.15 of IPCC (2006).

The general equation corresponding to Tiers 2 and 3 of IPCC (2006) is 2.15, used for calculating annual changes in carbon stocks in above and below ground biomass (the only reservoirs included in enhancement estimations) and lands converted into other land uses (In this case, non – forest into forest):

#### Equation 5 [Eq. 2.15 of IPCC (2006)]

$$\Delta C_{B_{t,ANFF}} = \Delta C_{G_t} + \Delta C_{CONVERSION_t} - \Delta C_{L_t}$$

#### Where:

- $\Delta C_{B_{t,ANFF}}$  = carbon stock enhancements in year t, from non forest lands converted into forests during the reference period, under the stock enhancement activity (A), in tonnes C.
- $\Delta C_{G_t}$  = carbon stock enhancement due to growth in non forest lands converted into forest year t, in tonnes
- $\Delta C_{CONVERSION_t}$  = initial carbon stock change in non forest lands converted into forests in year t, in ton C.
- $\Delta C_{L_t}$  = annual carbon stock decrease due to wood harvesting, firewood extraction and disturbances in non forest lands converted into forest in year t, in ton C.

The estimations for enhancements assume  $\Delta CL$  to be zero, due to the lack of sufficient data to quantify losses in non – forest areas converted into forest. Equation 2.16 of IPCC (2006) is used for the parameter  $\Delta C_{CONVERSION_{+}}$ :

# Equation 6 [Eq. 2.16 of IPCC (2006)]

$$\Delta C_{CONVERSION_t} = \sum_{i}^{\square} \left\{ \left( B_{AFTER_i} - B_{BEFORE_i} \right) * \Delta A_{TOOTHERS_{i,t}} \right\} * CF$$

#### Where:

- $\Delta C_{CONVERSION_t}$  = initial carbon change in non forest lands converted into forest in year t, ton C.
- $B_{AFTER_i}$  = biomass stocks in forest type i immediately after conversion, ton m.s. ha<sup>-1</sup>.
- $B_{REFORE,i}$  = biomass stocks in land type i before conversion, ton d.m. ha<sup>-1</sup>.
- $\Delta A_{TOOTHERS:t}$  = non forest land use surface converted into forest in year t, ha.
- CF = carbon fraction in dry matter, ton C (ton m.s.)<sup>-1</sup> 0.47 is the default value as per IPCC AFOLU guidelines 2006, Table 4.3.

For parameter  $\Delta$ CG (enhancement due to forest growth), INGEI uses IPCC 2006 Equation 2.9 for a Tier 2 – 3 calculation. Nevertheless, INGEI only uses it for lands converted into forest in the year of conversion.

Equation 2.9 of IPCC (2006) calculates annual carbon enhancements. But Equation 6 [(Eq. 2.16 of IPCC (2006)] does not consider captures converted in previous years that keep accumulating in strata "i". So it is necessary to modify equation 2.9 of IPCC (2006) as follows to achieve a correct accounting:

<sup>&</sup>lt;sup>16</sup> Excel spreadsheet available in

# Equation 7 [adapted from Eq. 2.9 of IPCC (2006)]

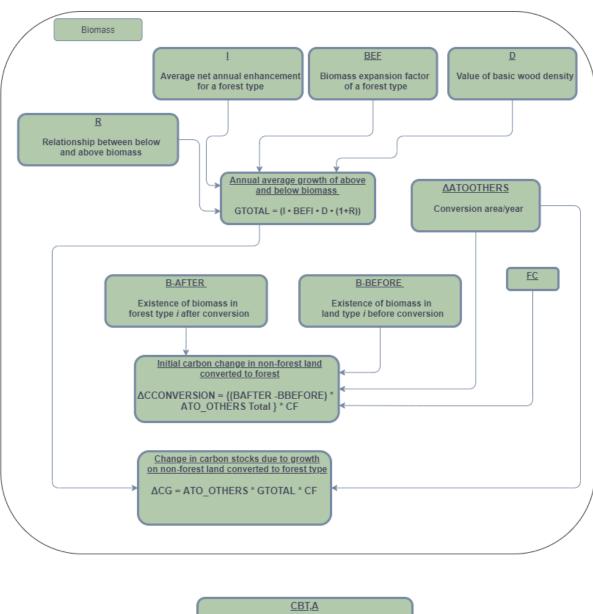
$$\Delta C_{G_t} = \sum_{i}^{\square} \sum_{x}^{\square} (A_{i,x} * G_{TOTAL_i} * CF)$$

#### Where:

- $\Delta C_{G_t}$ = carbon stock enhancement in year t, due to growth in non forest lands converted into forest type i during the reference period, in ton C.
- $A_{i,x}$  = Area converted into forest *i* in year *x* of the reference period, in ha.
- $G_{TOTAL_i}$ = annual average biomass growth in non forest lands converted into forest type i, ton d. m. ha<sup>-1</sup> year<sup>-1</sup>.
- CF = dry matter carbon fraction, ton C (ton d.m.)<sup>-1</sup> · 0.47 is the default value as per IPCC AFOLU guidelines 2006, Table 4.3.

Equation 7 considers that for calculating  $\Delta C_{G_t}$  in year t, it is necessary to add captures from areas converted in each year x before year t in the reference and monitoring period, to captures from areas converted in year t. In case a forest reaches adulthood and stops capturing  $CO_2$  from the atmosphere, it should be removed from enhancement accounting. Nevertheless, this is not supposed to happen during the reference and monitoring period.

The following diagram represents step by step the calculation of removals due to increases from non-forest to forest and restitution (plantation to native forest). In the lower part, the number of years considered in the reference period is represented (13 in total), indicating that forests grow cumulatively from year 1 to year 13.



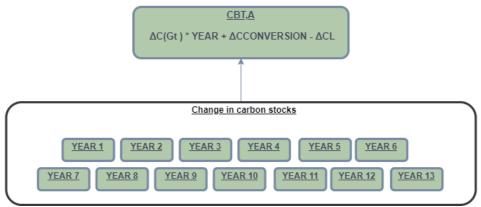


Figure 6. Step by step diagram for estimating removal from Enhancement.

#### **Forest Remaining Forest**

### Degradation 17

Equation 2.8(a) of IPCC (2006) is used to estimate changes in carbon stocks in forest lands that remain as such due to degradation:

### Equation 8 [Eq. 2.8 of IPCC (2006)]

$$\Delta C_{B_{t,DegFF}} = \frac{(C_{t_2} - C_{t_1})}{(t_2 - t_1)}$$

#### Where:

- $\Delta C_{B_{t,Deg}}$  = annual carbon stock change in forest lands that remain as such considering total area under degradation activity (*DegFF*), ton C.
- $C_{t_2}$ = total forest carbon in year  $t_2$ , ton C.
- $C_{t_1}$ = total forest carbon in year  $t_1$ , ton C.

The equation is applied for the reference level accounting described in Bahamondez *et al.* (2009)<sup>18</sup>. This methodology accounts for carbon stocks at different points in time, where the difference in carbon stocks in forest lands is considered degradation in case of losses. On the other hand, INGEI uses a loss – gain method, Equation 2.7 of IPCC (2006) instead of the stock difference method found in IPCC 2006 equation 2.8, where tabular data from INFOR is integrated to estimate volume extracted through selective logging, INFOR and MINENERGIA firewood statistics, and CONAF tabular data for the surface of fires in native forest and forest plantations. According to national experts, firewood extraction data are not very robust or representative of degradation in a comprehensive manner. The methodology used in NFMS allows to achieve Approach 3 results, spatially explicit data, and is based on robust and independent sources of information.

IPCC equation 2.8(b) is used to calculate carbon stocks in the initial and final moments of the reference period ( $C_1$  and  $C_2$  in Equation 8). The country applies a summarized version of IPCC eq 2.8, where the term EF considers (V \* BCEF \* (1+R)), portion of the equation that is previously calculated in the thematic map, the elements of Volume, Conversion Factor and expansion of biomass and relationship stem root):

#### Equation 9 [Adapted from Eq. 2.8 of IPCC (2006)]

$$C_t = A_{Deg} * EF * CF$$

- $C_{t,i}$ = total forest carbon in year t, ton C.
- $A_{Deq}$  = degradation area in forest that remains as such, ha.
- EF= carbon stocks in forest that remains as such, ton biomass ha<sup>-1</sup>.
- *CF* = carbon fraction, *t* carbon *t* biomass<sup>-1</sup>. 0.47 is the default value as per IPCC AFOLU guidelines 2006, Table 4.3.

<sup>&</sup>lt;sup>17</sup> Excel spreadsheet available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/bosque-permanente/Herramienta">https://plataforma.enccrv.cl/static/erpa/mr2/bosque-permanente/Herramienta</a> BP No Conservacion NR2 MR2 v12.xlsx

<sup>&</sup>lt;sup>18</sup> Bahamóndez, C., Martin, M., Muller-Using, S., Rojas, Y., Vergara, G., 2009. Case Studies in Measuring and Assessing Forest Degradation: An Operational Approach to Forest Degradation. (Forest Resources Assessment Working Paper). Forestry Department, Food and Agriculture Organization of the United Nations

### Stock Enhancement in Forest remaining forest 19

IPCC (2006) equation 2.8 was used to calculate annual stock enhancements:

### Equation 10 [Eq. 2.8 of IPCC (2006)]

$$\Delta C_{B_{t,AFF}} = \frac{(C_{t_2} - C_{t_1})}{(t_2 - t_1)}$$

#### Where:

- $\Delta C_{B_{t,AFF}}$  = annual carbon stock change in forest lands that remain as such, considering total area under stock enhancement activity (*DegFF*), ton C year<sup>-1</sup>.
- $C_{t_2}$  = total forest carbon in year  $t_2$ , ton C.
- $C_{t_1}$  = total forest carbon in year  $t_1$ , ton C.

Carbon contents in year  $t_1$  (2001) and  $t_2$  (2010) were obtained from the results of applying the methodology that allows to identify areas that were below threshold or line B at the start of the reference and monitoring period.

#### Forest Conservation<sup>20</sup>

As explained in previous sections, emissions and removals for Forest Conservation is estimated by adding emissions from forest degradation in forest remaining forest and absorptions from the restoration of degraded forests in forest areas under formal conservation processes. The country applies a summarized version of IPCC eq 2.8, where the term EF considers (V \* BCEF \* (1+R)), portion of the equation that is previously calculated in the thematic map, the elements of Volume, Conversion Factor and expansion of biomass and relationship stem root):

#### Equation 11 [Adapted from Eq. 2.8(a) of IPCC (2006)]

$$\Delta C_{B_{t,ConFF}} = \Delta C_{B_{t,AFF}} - \Delta C_{B_{t,DeaFF}}$$

#### Where:

- $\Delta C_{B_{t,C}}$  = carbon stock annual change in forest lands subject to formal conservation processes in year t, in ton C.
- $\Delta C_{B_{t,AFF}}$ = annual changes in carbon stocks due to recovery of degraded forests in areas subject to formal conservation processes, in ton C year<sup>-1</sup>.
- $\Delta C_{B_{t,DegFF}}$  = annual changes in carbon stocks due to forest degradation in forest lands subject to formal conservation processes, in ton C year<sup>-1</sup>.

In the following diagram the summary of steps for estimating emissions and captures in forest remaining forest is presented, both for increases, degradation and conservation. As can be seen, the conservation areas correspond to a part of the forest remaining forest that is under protection. It is defined by the geographic limit that delimits the area.

<sup>&</sup>lt;sup>19</sup> Spreadsheet available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/bosque-permanente/Herramienta">https://plataforma.enccrv.cl/static/erpa/mr2/bosque-permanente/Herramienta</a> BP No Conservacion NR2 MR2 v12.xlsx

<sup>&</sup>lt;sup>20</sup> Spreadsheet available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/bosque-permanente/Herramienta">https://plataforma.enccrv.cl/static/erpa/mr2/bosque-permanente/Herramienta</a> BP Conservacion NR2 MR2 v12.xlsx

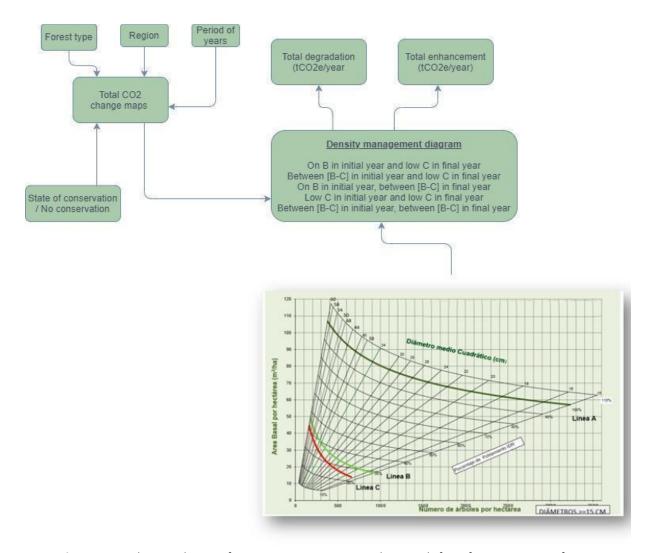


Figure 7. Step by step diagram for estimating emissions and removals from forest remaining forest.

### Non -CO<sub>2</sub> emissions from Forest Fires<sup>21</sup>

The methodology by Bahamondez et al. (2009) estimates  $CO_2$  emissions in forest remaining forests. Therefore, Equation 2.27 of IPCC (2006) is used to calculate non –  $CO_2$  emissions from forest fires:

### Equation 12 [Eq. 2.27 of IPCC (2006)]

$$L_{fire} = A * M_B * C_f * G_{ef} * 10^{-3}$$

### Where:

- $L_{fire}$  = amount of greenhouse gas emissions caused by fire, ton of each GHG gas year<sup>-1</sup>
- $A = burned surface, ha year^{-1}$
- $M_B$ = fuel mass available for combustion, ton ha<sup>-1</sup>.
- $C_f$ = combustion factor, no dimension. The value applied is 0.45 according to IPCC 2006.

https://plataforma.enccrv.cl/static/erpa/mr2/incendios/Herramienta Incendios NR2 MR2 v016.xlsx

<sup>&</sup>lt;sup>21</sup> Spreadsheet available in

•  $G_{ef}$  = emission factor, g kg<sup>-1</sup> of burned dry matter. Emission factors used for the equation are 4.7 for CH<sub>4</sub> and 0.26 for N<sub>2</sub>O.

Equation 13 is used to convert  $L_{fire}$  into CO<sub>2</sub>e, for Equation 12:

### **Equation 13**

$$GEI_{fire} = L_{fire} * CF$$

#### Where:

• CF = conversion factor of non CO<sub>2</sub> gas into CO<sub>2</sub>e, ton gas no-CO<sub>2</sub> ton CO<sub>2</sub>e<sup>-1</sup>. CF value is 25 for CH<sub>4</sub> and 298 for N<sub>2</sub>O, according to IPCC 2006.

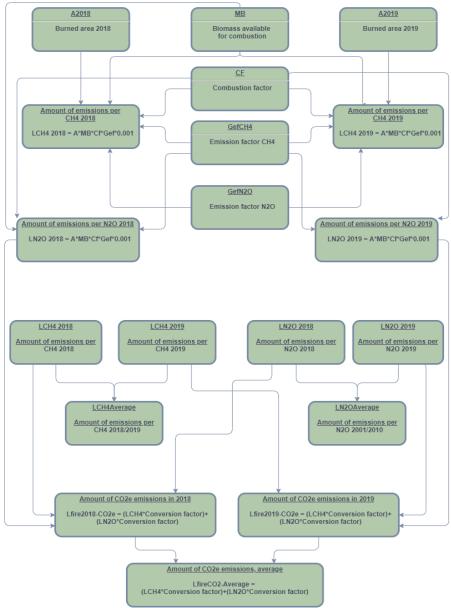


Figure 8. Step by step diagram for estimating emissions from forest fires.

#### **Emission Factors**

#### **Deforestation**

#### Carbon stocks before deforestation (BBEFORE)

Forest carbon stocks before deforestation were obtained from the information base of the INGEI of Chile. These numbers are derived from the national forest inventory in order to reach a Tier 2 living above ground biomass estimation. Estimations are stratified by forest type to obtain carbon contents before deforestation. Information of changes in land use was updated to include forest type data.

Above and below ground biomasses (BBEFORE in Equation 3 and 6) along with DOM (Co in Equation 4) are obtained from the GHG national inventory. Under deforestation accounting, harvested wood products (HWP) carbon stocks are supposed to be zero, due to the lack of reliable sources of data for distinguishing between HWP due to deforestation and HWP due to degradation.

#### Carbon stocks after deforestation (BAFTERI)

INGEI uses IPCC (2006) default values for  $B_{AFTERI}$ , but these values are supposed to be the non – forest land use growth that really corresponds to  $\Delta CG$ . For FREL estimations, carbon stocks directly after deforestation in deforested lands will be assumed to be zero.

#### Changes in carbon stocks other than deforestation events (ΔCG and ΔCL)

Post – deforestation carbon stocks ( $\triangle$ CG) are determined in one of two ways:

- Values taken from a literature review of non forest carbon stocks, ideally studies conducted in Chile (such
  as Gayoso 2006). If these studies are not available, data from other regional studies (Temperate South
  America under similar management regimes) can be used. This is the preferred method, representing a Tier
  2 approach.
- When these values are not available, IPCC (2006) default values can be used. This is the method being currently used by the INGEI but represents a Tier 1 method.

Losses due to wood harvesting, firewood extraction and disturbances ( $\Delta$ CL) are supposed to be zero in deforestation areas, using the same assumption as INGEI.

#### **Degradation from Substitution**

Carbon stock estimations derived from National Inventory plots and other carbon stock studies in other land uses are utilized for the emission factors in changes from native forest into plantation. Biomass stock estimations in plantations are assumed to be zero (0), as stocks in the native forest are supposed to have been reduced to zero before the establishment of the plantation.

### **Forest Surface Enhancement and Restitution**

The value of  $B_{AFTER_i}$  in Equation 7 is supposed to be zero for agricultural lands and urban – industrial areas, as carbon stocks in non – forest land use converted into forest have been removed before forests are established. For natural land uses, mainly grasslands and scrubs,  $B_{AFTER_i}$  is supposed to be equal to  $B_{BEFORE_i}$ , as no clearing or cleaning processes are supposed to take place in those lands before the forest is established, but rather are naturally converted into forest without losing initial carbon stocks. Carbon stocks in  $B_{BEFORE_i}$  are equivalent to carbon stocks in non – forest land use. National or regional scientific reports such as Gayoso (2006) which have estimated carbon stocks in non – forest land uses are used for these stocks.

In Equation 7,  $G_{TOTAL_i}$ , average annual biomass growth per hectare for each forest type is calculated through Equation 14 (modified from Equation 2.10 in IPCC 2006).

#### Equation 14 [adapted from Eq. 2.10 of IPCC (2006)]

$$G_{TOTAL} = \Sigma_i (I_{Vi} \cdot BCEF_i \cdot (1+R_i))$$

#### Where:

- GTOTAL = Average annual above and below ground biomass growth, ton d. m. ha<sup>-1</sup> year<sup>-1</sup>.
- I = Annual average net increase for one forest type, m³ ha⁻¹ year⁻¹.
- BCEF<sub>1</sub> = Biomass expansion and conversion factor for the conversion of annual net volume increase into Above ground biomass growth for one forest type, tons of aerial growth (m³ of annual average increase)-1.
- R = Relation between above and below ground biomass for one forest type in ton m.s of below ground biomass (ton m.s. of Above ground biomass)<sup>1</sup>.

Annual average net increase values, I, are gathered in the INGEI data set, based on data from national forest inventory, which estimates values for the following forest types: Alerce, Ciprés de las Guaitecas, Araucaria, Ciprés de la Cordillera, Lenga, Coihue de Magallanes, Roble Hualo, Roble-Raulí-Coihue, Coihue-Raulí-Tepa, Esclerófilo and Siempreverde. Equation 15 is used for calculating BCEF:

#### Equation 15 [From IPCC 2006 Volume 4, page 2.13]

$$BCEF_{l} = BEF_{l} \cdot D_{i}$$

#### Where:

- BEF<sub>I</sub>= Biomass expansion factor for one forest type. This factor expands total above ground biomass value to offset the non marketable components of the increase, no dimension.
- $D = \text{Basic wood density value, ton m}^{-3}$ . The value applied for D is 0.496166.

The biomass expansion factor, BEF<sub>I</sub>, and wood basic density value, D, come from the INGEI data set, having a BEF<sub>I</sub> value for native forests, not classified by forest type, by Gayoso et al (2002). Likewise, there is only one wood density value for native species, without INGEI defining the original source, which is used for ensuring consistency with the INGEI.

The relation between above and below ground biomass in native forests, R, was estimated by Gayoso et al (2002) and is found in the INGEI data set. The value applied for R is 0.2869.

#### Forest remaining forest

Emission factors for degradation in forests remaining forests, carbon content enhancement from restoration of degraded forests, and forest conservation all use the same methodology.

The emission factors come from the national forest inventory, which is the basis for the methodology. The methodology determines a basal area for each forest hectare in  $t_1$  and  $t_2$ . The total volume of each hectare is calculated based on this data:

#### **Equation 16**

$$Vol = KAB^{\beta}$$

- *Vol*= Volume of trees in forest, cubic meters ha<sup>-1</sup>.
- AB= Basal area square meters ha<sup>-1</sup>.

- K= Constant, value of 2.9141.
- $\beta$  = Constant, value of 1.2478.

To convert volume into CO<sub>2</sub> for its use in equation:

#### **Equation 17**

$$EF = Vol * D * BEF$$

#### Where:

- EF = carbon stocks in forests that remain as such, ton biomass ha<sup>-1</sup>.
- *Vol* = Volume of trees in forest, cubic meters ha<sup>-1</sup>.
- $D = \text{average forest density, tons meters}^{-3}$ .
- BEF = biomass expansion and conversion factor for the conversion of annual net volume increase (bark included) into above ground biomass growth for one forest type, above ground biomass growth in tons (m<sup>3</sup> of average annual increase)<sup>-10</sup>.

#### CALCULATION OF ANNUAL EMISSION HISTORICAL AVERAGE DURING THE REFERENCE PERIOD

#### **Forest Degradation**

There are two sub activities under the degradation activity, according to the definitions:

- 1. Degradation in forest remaining forest.
- 2. Degradation from Substitution.

Various methodologies are used for each sub – activity type as previously described and justified, to calculate FREL, adding different methodologies and reference periods in ton CO<sub>2e</sub>, using the following equation:

#### **Equation 18**

$$FREL_{Deg} = \frac{(\sum_{t}^{n} \square \Delta C_{B_{t,DegFF}} + \sum_{t}^{n} \square \Delta C_{B_{t,DegFNF}}) * \frac{44}{12} + \sum_{t}^{n} \square GEI_{fire}}{p}$$

- $FREL_{Deg}$  = carbon stock annual average losses due to forest degradation during the reference period, in ton C year<sup>-1</sup>.
- $\Delta C_{B_{t,DegFF}}$  = carbon stock change in forest lands that remain as such in year t of the reference period, in ton C.
- $\Delta C_{B_{t,DegFNF}}$  = carbon stock change in forest lands converted into arborescent scrub or plantations in year t of the reference period, in ton C.
- $GEI_{fire}$  = Amount of non-CO<sub>2</sub> gas emissions from forest fires, ton CO<sub>2</sub>e.
- p = years of the reference period.
- $\frac{44}{12}$  = factor for converting carbon into equivalent carbon dioxide, ton CO<sub>2</sub>e ton C<sup>-1</sup>.

#### **Forest Carbon Stock Enhancement**

Captures associated to areas that change from non – forest into forest, along with captures from forest areas that remain as such are accounted under the stock enhancement category.

- 1. Forest surface restitution and enhancement.
- 2. Restoration of degraded forests

Likewise, FREL activity data regarding forest carbon stock enhancements is estimated using differentiated methodologies for forests that remain as such and the identification of non – forest areas converted into forests, just as in the degradation FREL.

### **Equation 19**

$$FRL_{A} = \frac{\left(\sum_{t}^{n} \left| \right| \right| \Delta C_{B_{t,ANFF}} + \sum_{t}^{n} \left| \right| \Delta C_{B_{t,AFF}}\right) * \frac{44}{12}}{p}$$

- $FRL_A$  = annual average carbon stock increase during the reference period, in ton CO<sub>2</sub>e year<sup>-1</sup>.
- $\Delta C_{B_{t,ANFF}}$  = carbon stock change in year t, from non forest lands converted into forest during the reference period, under the stock enhancement activity (A), in ton C.
- $\Delta C_{B_{t,AFF}}$  = annual carbon stock change in forest areas that remain as forest, considering total area, in ton C year<sup>-1</sup>.
- p = years of the reference period.

# **3 DATA AND PARAMETERS**

The parameters applied to the estimates of emissions and removals in the SNMF are summarized below:

Parameter	Acronym	Units	Value	Source	Sub activity
Biomass expansion factor	BEF	No units	1.75	INGEI, 2020	Deforestation Substitution Stock Enhancement
Wood base density value	D	t d.m. m <sup>-3</sup>	0.496166	INGEI, 2020	Deforestation Substitution Stock Enhancement
Relationship between above and below ground biomass	R	No units	0.2869	INGEI, 2020	Deforestation Substitution Stock Enhancement
Yearly decrease in carbon contents due to wood harvesting, firewood extraction and disruption in nonforest lands converted into forest	ΔCL Aum	t C year⁻¹	0	Assumption	Deforestation Substitution Stock Enhancement
Post – conversion biomass	BAFTER	t biomass ha <sup>-1</sup>	0	Assumption	Deforestation Substitution Stock Enhancement
Post – deforestation stocks	Cn	t C ha <sup>-1</sup>	0	Assumption	Deforestation Substitution Stock Enhancement
Yearly loss of carbon stocks in biomass due to disruptions in forest lands converted to non-forests in year -t.	ΔCL	t C year⁻¹	0	Assumption	Deforestation Substitution Stock Enhancement

 Table 1. Parameters applied to emissions and removals estimations in the NFMS.

The parameters used for the calculations of emissions and reversals, segregated by land use and sub-use, and according to REDD+ activity are summarized in the following table:

Land use	Sub-use	t dry AGB/ha t dry BGB/ha  REDD Activities  Deforestation, Enhancement Substitution		Source
Settlements	-	2	0	INGEI, 2020
Cropland	-	10	2	INGEI, 2020
	Grassland	4.73	8.13	Gayoso et al. (2006)
	Scrub - Grassland	9.04	14.99	Gayoso et al. (2006)
	Scrub	9.04	14.99	Gayoso et al. (2006)
Grassland and Shrubland	Arborescent Scrub	21.78	35.25	Gayoso et al. (2006)
	Scrub with Succulent plants	9.04	14.99	Gayoso et al. (2006)
	Succulent Plant Formation	4.73	8.13	Assumption, equal to grassland
	Shrubs Plantation	9.04	14.99	Gayoso et al. (2006)
Forest land	Plantation	0	0	National panel of experts
	Managed bodies (reservoirs)	0	0	Assumption
Wetlands	Unmanaged bodies (natural rivers, lakes)	0	0	Assumption
Otherstead	Areas without vegetation (bare soil, rock)	0	0	Assumption
Other land	Perennial snow and glacier areas	0	0	Assumption
	Unrecognized Areas	N/U	N/U	-

**Table 2.** Parameters by REDD activity, land use, and land sub – use.

# 3.1 Fixed Data and Parameters

Parameter:	Biomass expansion factor (BEF) for the native forest
Description:	This factor expands the total volume of above ground biomass to compensate for non-marketable aspects of the enhancement.
Data unit:	Dimensionless parameter
Source of data or description of the method for developing the data including the spatial level of the data (local, regional, national, international):	The Biomass expansion factor comes from information collected in the country from the study of Gayoso et al. (2002) and used in INGEI (2020). This value is for native species and has a national spatial level.
Value applied:	1.75
QA/QC procedures applied	These are reference national values obtained from Gayoso et al. (2002) and INGEI (2020) as was mentioned before.
Uncertainty associated with this parameter:	Error calculation based on statistical data from the Biomass Inventory and Carbon Accounting of the Universidad Austral de Chile (UACh).  Error: 18%
Any comment:	

Parameter:	Basic density value of the wood (D)
Description:	Calculated using basic density data collected from native species growing in Chile.
Data unit:	t d.m. m <sup>-3</sup>
Source of data or description of the method for developing the data including the spatial level of the data (local, regional, national, international):	A bibliographic review of basic densities of the forest species in Chile was carried out and there were no modifications for the value exposed from Gayoso et al. (2002) and INGEI (2020).
Value applied:	0.496166
QA/QC procedures applied	These are reference national values obtained from Gayoso et al. (2002) and INGEI (2020) as was mentioned before.
Uncertainty associated with this parameter:	Calculation was performed using basic density data collected from native species growing in Chile.  Error: 5.6%
Any comment:	

Parameter:	Root-to-shoot ratios of native forest (R factor)
Description:	Relationship between below ground and above ground biomass
Data unit:	t d.m. m <sup>-3</sup>
Source of data or description of the method for developing the data including the spatial level of the data (local, regional, national, international):	R factor comes from information collected in the country (Gayoso et al., 2002; INGEI, 2020). This value is within the range of values indicated in the 2006 IPCC Guidelines for temperate forests (between 0.20 and 0.46, according to Table 4.4; Chapter 4; Volume 4) and within the values available worldwide, which provide R factors that range between 0.09 and 0.33. This value is for native species and has a national spatial level.
Value applied:	0.2869
QA/QC procedures applied	These are reference national values obtained from Gayoso et al. (2002) and INGEI (2020) as was mentioned before.  QA / QC applied in documentation process "Estimación de valores de fracción de carbono, relación tallo raíz" ("Estimation of carbon fraction values, stem-
	root relation").
Uncertainty associated with this parameter:	Error calculation based on statistical data from the Biomass Inventory and Carbon Accountancy of the Universidad Austral de Chile (UACh).  Error: 9.4%
Any comment:	

Parameter:	Above and below ground biomass of other uses	
Description:	Above and below ground biomass of Urban and Industrial Areas, agricultural land, grassland, scrub, arborescent scrub, shrub planting, succulent scrub, succulent formations, plantations, wetlands, areas deprived of vegetation, eternal snows and glaciers, waterbodies and unrecognized areas	
Data unit:	Tons of dry biomass ha <sup>-1</sup> (t d.m. ha <sup>-1</sup> )	
Source of data or description of the method for developing the data including the spatial level of the data (local, regional, national, international):	<ul> <li>Urban and Industrial Areas (INGEI, 2020)</li> <li>Agricultural land (INGEI, 2020)</li> <li>Grassland (Gayoso et al., 2006)</li> <li>Grassland - Scrub (Gayoso et al., 2006)</li> <li>Scrub (Gayoso et al., 2006)</li> <li>Arborescent scrub (Gayoso et al., 2006)</li> <li>Scrub with succulent (Gayoso et al., 2006)</li> <li>Succulent formations (assumption of grassland values (Gayoso et al., 2006))</li> <li>Shrub planting (Gayoso et al., 2006)</li> <li>Plantation (Expert national panel)</li> <li>Wetlands (assumption)</li> <li>Areas deprived of vegetation (assumption)</li> <li>Eternal snows and glaciers (assumption)</li> <li>Waterbodies (assumption)</li> <li>Unrecognized areas (assumption)</li> <li>These are reference national values obtained from Gayoso et al. (2006), INGEI (2020), an expert national panel and assumption as mentioned before.</li> </ul>	

Value applied:	Use / sub use	t dry above ground biomass ha-1	t dry below ground biomass ha-1
	Urban and Industrial Areas	2	0
	Agricultural land	10	2
	Grassland	4.73	8.13
	Grassland - Scrub	9.04	14.99
	Scrub	9.04	14.99
	Arborescent scrub	21.78	35.25
	Scrub with succulent	9.04	14.99
	Succulent formations	4.73	8.13
	Shrub planting	9.04	14.99
	Plantation	0	0
	Wetlands	0	0
	Areas deprived of vegetation	0	0
	Eternal snows and glaciers	0	0
	Waterbodies	0	0
	Unrecognized areas	0	0
Uncertainty associated with this parameter:	Data from INGEI (2020) and Gayos		1
	Use / sub use		ground biomass
	Urban and Industrial Areas	95	5%
	Agricultural land	75	5%
	Grassland	27.	.7%
	Grassland – Scrub	34.	.6%
	Scrub	34.	.6%
	Arborescent scrub	22.	.4%
	Scrub with succulent	34.	.6%
	Succulent formations	27.	.7%
	Shrub planting	34.	6%
	Uncertainty for below ground bior propagation error estimate fol Arborescente AGB error (22.42% (48.27%) estimated by Gayoso et 53.2%.	lowing IPCC appro 6) and Root shoot	ach 1 of Matorral- ratio -R Factor error
	33.270.		

Parameter:	Above and below ground	biomass of nativ	e forest.		
Description:				native forest is	
Description.	Above and below ground biomass of native forest. The native forest is classified by different forest type and structure. Each forest type has its own biomass value in some cases, depending on data availability.				
Data unit:	Tons of dry biomass ha-1 (	t d.m. ha <sup>-1</sup> ).			
	Native forest data are nat	ional data and n	uhlished in INGE	:1 (2020)	
Source of data or description of the method for developing the data	The mixed forest is calcul	-			
including the spatial level of the	types present in the reg	_	-		
data (local, regional, national,	present for the activity of		_		
international):	For missing biomass value		•		
	a weighted average value		_	_	
	the forest type surface p	resent at the fi	hal year in the	reference level	
	(2013). The AGB and BGB parame	oters are estimate	ed from the IFN	nlots	
	The estimate of the variat			-	
	such for FREL/FRL and mo				
	Forest remaining forests a		_		
	based on information co				
	Ecosystems and the ap	-	mote sensing	techniques on	
	LANDSAT satellite images	•			
Value applied:		1	1 460	l non	
	Forest type	Structure	AGB (t d.m. ha <sup>-1</sup> )	BGB (t d.m. ha <sup>-1</sup> )	
	Alerce	Adult	339.1	97.3	
	Alerce	Young	203.6	58.4	
	Alerce Alerce	Adult/Young Stunted	203.6 339.1	58.4 97.3	
	Cipres de las Guaitecas	Adult	198.0	56.8	
	Cipres de las Guaitecas	Young	198.0	56.8	
	Cipres de las Guaitecas	Adult/Young	198.0	56.8	
	Cipres de las Guaitecas	Stunted	198.0	56.8	
	Araucaria	Adult	421.4	120.9	
	Araucaria	Young	219.1	62.9	
	Araucaria	Adult/Young	219.1	62.9	
	Araucaria	Stunted	421.4	120.9	
	Cipres de la Cordillera	Adult	124.0	35.6	
	Cipres de la Cordillera	Young	124.0	35.6	
	Cipres de la Cordillera	Adult/Young	124.0	35.6	
	Cipres de la Cordillera Lenga	Stunted Adult	124.0 198.5	35.6 56.9	
	Lenga	Young	237.2	68.1	
	Lenga	Adult/Young	237.2	68.1	
	Lenga	Stunted	198.5	56.9	
	Coihue de Magallanes	Adult	129.1	37.1	
	Coihue de Magallanes				
	Coihue de Magallanes	Adult/Young	129.1	37.1	
	Coihue de Magallanes	Stunted	129.1	37.1	
	Roble - Hualo	Adult	114.9	33.0	
	Roble - Hualo	Young	114.9	33.0	
	Roble - Hualo	Roble - Hualo Adult/Young 114.9 33.0			

	Roble - Hualo	Stunted	114.9	33.0
	Roble - Rauli - Coihue	Adult	178.6	51.2
	Roble - Rauli - Coihue	Young	152.8	43.8
	Roble - Rauli - Coihue	Adult/Young	152.8	43.8
	Roble - Rauli - Coihue	Stunted	178.6	51.2
	Coihue - Rauli - Tepa	Adult	377.0	108.2
	Coihue - Rauli - Tepa	Young	377.0	108.2
	Coihue - Rauli - Tepa	Adult/Young	377.0	108.2
	Coihue - Rauli - Tepa	Stunted	377.0	108.2
	Esclerófilo	Adult	18.6	5.3
	Esclerófilo	Young	18.6	5.3
	Esclerófilo	Adult/Young	18.6	5.3
	Esclerófilo	Stunted	18.6	5.3
	Siempreverde	Adult	361.6	103.8
	Siempreverde	Young	127.3	36.5
	Siempreverde	Adult/Young	127.3	36.5
	Siempreverde	Stunted	361.6	103.8
	Siempreverde	Stuffled	301.0	103.8
QA/QC procedures applied	SOP_06_Field Operation I	Manual		
Uncertainty associated with this parameter:	Uncertainty for Below Ground Biomass BGB is based on propagation error estimate following IPCC approach 1 of Above Ground Biomass-AGB error (18.85%) and Root shoot ratio -R Factor error (9.4%) estimated by Gayoso et al. (2002), resulting in total uncertainty of 44.2%.  For the forest types with a limited number of sampling plots, AGB uncertainty propagation with Monte Carlo analysis uses the following information: i. DBH measurement error (0.2%), calculation based on Continuous Forest Inventory data of INFOR; ii. Volume estimation error (0.07%), calculation based on Continuous Forest Inventory data of INFOR, iii. Biomass Expansion Factor (BEF) error (18.0%), BEF comes from information collected in the country from the study of Gayoso et al. (2002) and used in INGEI (2020). This value is for native species and has a national spatial level. Error calculation is based on statistical data from the Biomass Inventory and Carbon Accountancy of the Universidad Austral de Chile (UACh); and iv. Wood Density (5.6%) calculated using basic density data collected from native species growing in Chile. Finally, these uncertainties are combined following IPCC approach 1 (error propagation), resulting in			
	•	PCC approach 1 (e	• •	

Parameter:	Dead organic matter of native forest (DOM).				
Description:	The native forest is classified by different forest types and structures. Each forest type has its own dead organic matter value in some cases, depending on data availability. The mixed forest is calculated as a weighted average value of the forest types present in the region and according to the forest surface present for the activity of deforestation of the period.  For the missing DOM value of the forest types and some of the structures, a weighted average value was calculated in the region and according to the forest type surface present at the final year in the reference level (2013).				
Data unit:	Tons of carbon in dead organic	: matter ha <sup>-1</sup> (tC ha <sup>-1</sup>	).		
Source of data or description of the method for developing the data including the spatial level of the data (local, regional, national, international):	Forest native data are national data and published in INGEI (2020).				
Value applied:	Forest type	Structure	AGB (tC ha <sup>-1</sup> )		
	Alerce	Adult	121.4		
	Alerce	Young	121.4		
	Alerce	Adult/Young	121.4		
	Alerce	Stunted	121.4		
	Cipres de las Guaitecas	Adult	62.11		
	Cipres de las Guaitecas	Young	62.11		
	Cipres de las Guaitecas	Adult/Young	62.11		
	Cipres de las Guaitecas	Stunted	62.11		
	<u>Araucaria</u>	Adult	133.4		
	<u>Araucaria</u>	Young	133.4		
	<u>Araucaria</u>	Adult/Young	133.4		
	<u>Araucaria</u>	Stunted	133.4		
	Cipres de la Cordillera	Adult	62.11		
	Cipres de la Cordillera	Young	62.11		
	Cipres de la Cordillera	Adult/Young	62.11		
	Cipres de la Cordillera	Stunted	62.11		
	<u>Lenga</u>	Adult	43.4		
	<u>Lenga</u>	Young	43.4		
	Lenga	Adult/Young	43.4		
	Lenga	Stunted	43.4		
	Coihue de Magallanes	Adult	140.1		
	Coihue de Magallanes	Young	140.1		
	Coihue de Magallanes	Adult/Young	140.1		
	Coihue de Magallanes	Stunted	140.1		
	Roble - Hualo	Adult	62.11		
	Roble - Hualo Young 62.11				
	Roble - Hualo	Adult/Young	62.11		
	Roble - Hualo Stunted 62.11				
	Roble - Rauli - Coihue	Adult	52.9		
	Roble - Rauli - Coihue	Young	52.9		
	Roble - Rauli - Coihue	Adult/Young	52.9		
	Roble - Rauli - Coihue	Stunted	52.9		

	Coihue - Rauli - Tepa	Adult	74.4
	Coihue - Rauli - Tepa	Young	74.4
	Coihue - Rauli - Tepa	Adult/Young	74.4
	Coihue - Rauli - Tepa	Stunted	74.4
	Esclerófilo	Adult	16.7
	Esclerófilo	Young	16.7
	Esclerófilo	Adult/Young	16.7
	<u>Esclerófilo</u>	Stunted	16.7
	Siempreverde	Adult	64.8
	Siempreverde	Young	64.8
	Siempreverde	Adult/Young	64.8
	Siempreverde	Stunted	64.8
QA/QC procedures applied	SOP_06_Field Operation Man	ual	
Uncertainty associated with this parameter:	Error estimated from permanent plots of the INFOR Continuous Forest Inventory		
	Error: 28.4%		
Any comment:			

Parameter:	Periodic annual increment (PAI) according to forest type			
Description:	Periodic annual increment (PAI) according to forest type and structure. Each forest type has its own biomass value in some cases, depend on data availability.  For missing PAI value of the forest types and some of the structures a weighted average value was calculated in the region and according to the forest type surface present at the final year in the reference level (2013).			
Data unit:	Cubic meter per hectare and ye	ar (m³ ha-¹ year-¹)		
Source of data or description of the method for developing the data including the spatial level of the data (local, regional, national, international):	Forest native data are national data and published in INGEI (2020)			
Value applied:	Forest type Structure (m³ ha-1 year-1)			
	Alerce	Mature	0.5	
	Alerce	Young	0.5	
	Alerce	Mature/Young	0.5	
	Alerce	Stunted	0.5	
	Ciprés de las Guaitecas	Mature	3.9	
	Ciprés de las Guaitecas Young 3.9			
	Ciprés de las Guaitecas Mature/Young 3.9			
	Ciprés de las Guaitecas Stunted 3.9			
	Araucaria	Mature	4.6	
	Araucaria	Young	4.6	

	Araucaria	Mature/Young	4.6
	Araucaria	Stunted	4.6
	Ciprés de la Cordillera	Mature	5
	Ciprés de la Cordillera	Young	2.7
	Ciprés de la Cordillera	Mature/Young	2.7
	Ciprés de la Cordillera	Stunted	5
	Lenga	Mature	5.8
	Lenga	Young	3.9
	Lenga	Mature/Young	3.9
	Lenga	Stunted	5.8
	Coihue de Magallanes	Mature	2.6
	Coihue de Magallanes	Young	3.7
	Coihue de Magallanes	Mature/Young	3.7
	Coihue de Magallanes	Stunted	2.6
	Roble - Hualo	Mature	5.1
	Roble - Hualo	Young	3.5
	Roble - Hualo	Mature/Young	3.5
	Roble - Hualo	Stunted	5.1
	Roble - Raulí - Coihue	Mature	6.6
	Roble - Raulí - Coihue	Young	4.1
	Roble - Raulí - Coihue	Mature/Young	4.1
	Roble - Raulí - Coihue	Stunted	6.6
	Coihue - Raulí - Tepa	Mature	5.8
	Coihue - Raulí - Tepa	Young	4.9
	Coihue - Raulí - Tepa	Mature/Young	4.9
	Coihue - Raulí - Tepa	Stunted	5.8
	Esclerófilo	Mature	1.5
	Esclerófilo	Young	1.6
	Esclerófilo Mature/Young 1.6		1.6
	Esclerófilo	Stunted	1.5
	Siempreverde	Mature	6
	Siempreverde	Young	4.1
	Siempreverde	Mature/Young	4.1
	Siempreverde	Stunted	6
QA/QC procedures applied	SOP_06_Field Operation Manual		
Uncertainty associated with this	SOP_06 Field Operations Manual was implemented during fieldwork to		
parameter:	estimate PAI in the National Forest Inventory, for some forest types were		
	possible to adjust a Probability Distribution Function (PDF). For the forest types with a limited number of sampling plots, uncertainty propagation with		
	Monte Carlo analysis uses the calculation of the measurement uncertainty		
	for PAI based on the 95% CI of the removal rate by forest type, calculated		
	with Continuous Forest Inventory data of INFOR.		
	PAI Araucaria Adulto, PAI Lenga Adulto, PAI Lenga Renoval, PAI Roble -		
	Hualo Adulto, PAI Roble - Raulí - Coihue Adulto, PAI Roble - Raulí - Coihue		
	Renoval, PAI Coihue - Raulí - Tepa Adulto, PAI Coihue - Raulí - Tepa		

Parameter:	Combustion factor
Description:	Emission factor for degradation due to forest fires
Data unit:	Non-dimensional
Source of data or description of the method for developing the data including the spatial level of the data (local, regional, national, international):	Intergovernmental Panel on Climate Change (IPCC). 2006. 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Volume 4, Chapter 2, Table 2.6 All other temperate forests
Value applied:	0.45
QA/QC procedures applied	
Uncertainty associated with this parameter:	Error estimated using the standard deviation and median default emission factor of the IPCC 2006.  Error: 36%
Any comment:	

Parameter:	CH <sub>4</sub> emission factor
Description:	Emission factor for degradation due to forest fires
Data unit:	g kg <sup>-1</sup> of burned dry material
Source of data or description of the method for developing the data including the spatial level of the data (local, regional, national, international):	Intergovernmental Panel on Climate Change (IPCC). 2006. 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Volume 4, Chapter 2, Table 2.5 International - Extra tropical forest
Value applied:	4.7
QA/QC procedures applied	
Uncertainty associated with this parameter:	Error estimated using the standard deviation and median default emission factor of the IPCC 2006. Error: 29.0%
Any comment:	

Parameter:	N₂O emission factor
Description:	Emission factor for degradation due to forest fires
Data unit:	g kg <sup>-1</sup> of burned dry material
Source of data or description of the method for developing the data including the spatial level of the data (local, regional, national, international):	Intergovernmental Panel on Climate Change (IPCC). 2006. 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Volume 4, Chapter 2, Table 2.5 International - Extra tropical forest
Value applied:	0.26
QA/QC procedures applied	
Uncertainty associated with this parameter:	Error estimated using the standard deviation and median default emission factor of the IPCC 2006. Error: 43.8%
Any comment:	

# Deforestation FREL/FRL

Parameter:	$\Delta A_{TO\_OTHERSi,t}$ = Areas of different Forest Types(i) converted to another category of land use during the 2001 – 2013 period.			
Description:	Chile has eleven different Native Forest Types in the PRE area.			
Data unit:	Total hectares (ha/year) of the 2001-2013 period.			
Value monitored during this	Forest Type Area			
Monitoring / Reporting Period:	Alerce 119.3			
	Araucaria 337.3			
	Ciprés de la Cordillera 35.4			
	Ciprés de las Guaitecas	9.2		
	Coihue - Raulí - Tepa	653.3		
	Coihue de Magallanes	143.9		
	Esclerófilo	407.2		
	Lenga	2,519.3		
	Roble - Hualo	104.4		
	Roble - Raulí - Coihue	1,714.6		
	Siempreverde	1,873.9		
	Without Forest Type	144.6		
Source of data and description of	Total (ha)  Matrices of change in land use taken from	8,062.4		
measurement/calculation methods and procedures applied:	mosaics are used for the detection of changes in land use, focused in polygons of native forest. From the mosaic, the MIICA method is applied for the identification of spectral gains and losses, which through different techniques of post-processing allow identifying areas of forest losses and gains. The application of method establishes a series of requirements for the tiles, related to the removal of clouds, cloud shadows and artifacts. In addition, the map of use and change of use is linked to the information that comes from the Native Forest Cadastres of CONAF, therefore, the map of Land Use Change is the result of the application of the MIICA method, and the Cadastre of Native Forest. The Land Use Change Map is presented as a product through a coverage geographical area called "Traceability", which has as a characteristic the monitoring periods available for a certain region, which allows giving monitoring of historical land uses for each polygon.  The final product is regional, characterized by stunted, mature, young mature, mixed and young forests converted into areas with no vegetation, urban and industrial areas, waterbodies, areas where succulents, wetlands, scrubland, perennial snow and glaciers, grasslands and farmland have formed.			
QA/QC procedures applied:	For the generation of deforestation activity data and as part of the QA / QC process, the different procedures implemented are documented in SOPs that allow the estimates to be standardized over time.  SOP_01: Selection of REDD+ satellite mosaics SOP_02: Elaboration of LULUCF maps			
Uncertainty for this parameter:	The uncertainty of land-use change map results of the land-use change category observations corresponding to a sample errors related to land-use change are calc Guidelines for estimating the precision of cet al. (2013).	on the map and the reference of visually interpreted points. The ulated following the Good Practice		

	Error = Maule 111.3%, Ñuble 72.3%, Biobío 109.6%, Araucanía 191.6%, Los Ríos 96.6%, Los Lagos 89.1%
Any comment:	Link: <a href="https://plataforma.enccrv.cl/static/erpa/mr2/deforestacion/Herramienta_D">https://plataforma.enccrv.cl/static/erpa/mr2/deforestacion/Herramienta_D</a> eforestacion NR2 MR2 v018.xlsx

# Degradation – forest remaining forest FREL/FRL

Parameter:	A <sub>DegFF</sub> = Area of degradation of forests remaining forests monitored during 2001 - 2010 period, in areas not affected by browning (NBA).			
Description:	We have 6 regions for the PRE area, Maule, Ñuble, Biobio, La Araucanía, Los Ríos and Los Lagos. The Biobio Region was divided in two Region. The province of Ñuble, which was part of Biobio Region, is a new Region. The surface of the total area remains equal.  The surface area was described by degradation of native forest that remains as such.			
Data unit:	Total hectares (ha/y	ear) of the 2001-201	10 period.	
Value monitored during this		Region	Area	
Monitoring / Reporting Period:		Maule	73,201	
		Ñuble	29,480	
		Biobío	50,825	
		La Araucanía	57,880	
		Los Ríos	29,709	<u>-</u>
		Los Lagos	116,395	
		Total	357,490	
Source of data and description of measurement/calculation methods and procedures applied:	The data comes from INFOR's National Forest Inventory (IFN) plots, combined with spectral information from the Landsat series. This information integrates the variables of the state of the forests on the number of trees per hectare, basal area and volumes recorded by the monitoring of IFN plots, with the spectral data from Landsat to estimate carbon stocks in a spatially explicit way.			
QA/QC procedures applied:	Since one input for AD on degradation are the Land Use Change Maps in order to define areas of forest remaining forest, same QA/QC procedures and SOP are used during the process. Additional procedures are applied, and proper SOP were developed.  SOP_05_ Method for estimating in forest remaining forests the carbon variation.  SOP_06: Field Operations Manual			
Uncertainty for this parameter:			ad by INFOR	
Oncertainty for this parameter.	Degradation mapping accuracy estimated by INFOR.  Error: 32.8%			
Any comment:	Link:			
	https://plataforma.enccrv.cl/static/erpa/mr2/bosque- permanente/Herramienta BP No Conservacion NR2 MR2 v12.xlsx			

# Degradation - Substitution activity FREL/FRL

Parameter:	A <sub>DegNFF</sub> = Surface of degradation areas resulting from the conversion of forests into plantations during the 2001-2013 period.			
Description:	The total of areas by forest type that was degradation to plantation were registered			
Data unit:	Total hectares (ha/year) of the period 2001-2013			
Value monitored during this	Forest Type	Area		
Monitoring / Reporting Period:	Alerce	0.6		
	Araucaria	8.1		
	Ciprés de la Cordillera	15.2		
	Ciprés de las Guaitecas	0.8		
	Coihue - Raulí - Tepa	335.3		
	Coihue de Magallanes	2.5		
	Esclerófilo	1,423.8		
	Lenga	186		
	Roble - Hualo	523.1		
	Roble - Raulí - Coihue	2,881.3		
	Siempreverde	1,376.2		
	Without Forest Type	1,577.6		
	Total (ha)	8,330.4		
Source of data and description of measurement/calculation methods and procedures applied:	To estimate degradation of native forests converted to plantations, the equation used to estimate deforestation is applied, since it is assumed that, to establish a plantation, all the carbon content present in the preceding native forest must be reduced to zero.			
QA/QC procedures applied:	For the generation of degradation by substitution activity data and as part of the QA / QC process, the different procedures implemented are documented through a series of protocols or SOPs that allow the estimates to be standardized over time.  SOP_01: Selection of REDD+ satellite mosaics SOP_02: Elaboration of LULUCF maps			
Uncertainty for this parameter:	The uncertainty of land-use change maps is estimated by comparing the results of the land-use change category on the map and the reference observations corresponding to a sample of visually interpreted points. The errors related to land-use change are calculated following the Good Practice Guidelines for estimating the precision of change of use described in Olofsson et al. (2013).  Error = Maule 191.8%, Ñuble 139.9%, Biobío 134.9%, Araucanía 113.4%, Los Ríos 138.6%, Los Lagos 100.0%			
Any comment:	Link: <a href="https://plataforma.enccrv.cl/static/erpa/mr2/sustitucion/Herramienta Sustitucion">https://plataforma.enccrv.cl/static/erpa/mr2/sustitucion/Herramienta Sustitucion NR2 MR2 v008.xlsx</a>			

# Degradation – Forest fire activity FREL/FRL

Parameter:	A = Area burned between 2001-2010 in the ERP Regions.						
Description:	The surface of burned areas was recorded to estimate the degradation of the native forest.						
Data unit:	Total hectare	s (ha) of th	e 2001-201	LO period.			
Value monitored during this Monitoring / Reporting Period:	Region/Year Maule Biobío La Los Los Ríos Ñuble Araucanía Lagos						
memoring, reporting coron	2001	25.45	69.35	63.59	9.35	0.9	20.02
	2002	147.16	7,443.15	18,764.58	2,551.85	904.11	117.05
	2003	504.35	30.31	225.91	27.45	2.91	128.24
	2004	170.79	196.52	268.41	90.9	175.24	14.73
	2005	139.97	117.83	71.7	47.29	18.67	277.88
	<b>2006</b> 62.35 57.37 73.2 207.35 6.92 89.67						89.67
	2007	9.39	747.4	39.32	52.15	4.77	199.4
	2008	344.05	143.71	307.22	4,233.93	118.82	86.68
	2009	3,998.72	898.29	725.71	598.09	270.55	59.43
	2010	431.86	581.15	41.78	0.63	0.75	398.57
	Total period	5,834.09	10,285.08	20,581.42	7,818.99	1,503.64	1,392.37
Source of data and description of measurement/calculation methods and procedures applied:	The Forest Fire Protection Department and its Digital Information System for Operations Control provides annualized statistical information on the occurrence of forest fires for the entire country, which in recent years it has been improved by adding the spatial location of fires.						
QA/QC procedures applied:	SOP_05_ Method for estimating in forest remaining forests the carbon variation.						
Uncertainty for this parameter:	Area burned uncertainty estimated by INGEI (2020) Error: 15%						
Any comment:	Link:  https://plataforma.enccrv.cl/static/erpa/mr2/incendios/Herramienta Incendios NR2 MR2 v016.xlsx						

# Enhancement activity - No forest to native forest FREL/FRL

Enhancement activity – No forest to native forest FREL/FRL				
Parameter:	$\Delta A_{TOOTHERSi, t}$ = Area of used non-forest land converted into forest during the reference level			
Description:	The areas that correspond to non-fo	rest lands were quantified in hectares to		
	later estimate the carbon capture b	alances of these changes in land use. In		
	this data forest plantations with exot	ic species are included as non-forest land.		
Data unit:	Total hectares (ha/year) of the perio	d 2001-2013		
Value monitored during	Forest Type	Area		
thisMonitoring / Reporting	Alerce	23		
Period:	Araucaria	103		
	Ciprés de la Cordiller	a 125		
	Ciprés de las Guaitecas 21			
	Coihue - Raulí - Tepa 202			
	Coihue de Magallane	s 13		
	Esclerófilo	4,863		
	Lenga	320		
	Roble - Hualo	490		
	Roble - Raulí - Coihue	2 3,585		

	Siempreverde	1,417		
	Without Forest Type	2,360		
	Total (ha)	13,522		
Source of data and description of	A semi-automated technique is applied t	o detect changes using satellite		
measurement/calculation	images. The Multi-index method or MIICA (J	lin et al., 2013) detects changes in		
methods and procedures	land use for the period under study.			
applied:	The MIICA methodology is based on the o	combination of 2 spectral indices		
	(dNBR, dNDVI) which, through integration re	ules, provide coverage of land use		
	change, indicating the magnitude and direct	tionality of the change. (Profit and		
	loss).			
	The MIICA methodology used images from			
	applied through a series of codes in prog			
	complemented with Google Earth Engine of			
	and R software, with the objective of obtain	ining an efficient land use change		
	map.			
QA/QC procedures applied:	For the generation of enhancement (non-forest to forest) activity data and as			
	part of the QA / QC process, the different procedures implemented are			
		documented through a series of protocols or SOPs that allow the estimates to		
	be standardized over time.			
	SOP_01: Selection of REDD+ satellite mosaics			
	SOP_02: Elaboration of LULUCF maps,			
Uncertainty for this parameter:	The uncertainty of land-use change maps	,		
	results of the land-use change category on the map and the reference			
	observations corresponding to a sample of visually interpreted points. The			
	errors related to land-use change are calculated following the Good Practice			
	Guidelines for estimating the precision of change of use described in Olofsson			
	et al. (2013).			
	Error = Maule 80%, Ñuble 50.5%, Biobío 136.5%, Araucanía 192.2%, Los Ríos			
	65.1%, Los Lagos 138.5%			
Any comment:	Link:			
Any comment.	https://plataforma.enccrv.cl/static/erpa/mr	2/aumento/Herramienta Aumen		
	tos NR2 MR2 v029.xlsx	2/ddifferito/fierramenta Admen		
	COS_TATAL_TATALL_VOLDTAINSA			

# Enhancement activity – forest remains forest in non-conservation areas FREL/FRL

Parameter:	A <sub>EnhFF</sub> = Areas of non-conservation native forest that remains forest during the 2001–2010 period for the Sixth Region of the ERP, in areas not affected by browning (NBA).			
Description:	The areas that in 2001-2010 are forest in non-conservation area and remain as such, the hectares were estimated.			
Data unit:	Total hectares (ha/year) of the 2001-2010 period.			
Value monitored during this		Region Area		
Monitoring / Reporting Period:	Maule 88,778			
		Ñuble	33,323	
		Biobío	65,805	
		La Araucanía	87,901	
		Los Ríos	47,402	
		Los Lagos	139,986	
		Total (ha)	463,195	

Source of data and description of measurement/calculation methods and procedures applied:	The data comes from INFOR's National Forest Inventory IFN plots, combined with spectral information from the Landsat series. This information integrates the variables of the state of the forests on the number of trees per hectare and basal area recorded by the monitoring of IFN plots, with the spectral data from Landsat to estimate carbon stocks in a spatially explicit way.
QA/QC procedures applied:	Since one input for AD on enhancement in areas of forest that remain as forest are the Land Use Change Maps in order to define areas of forest remaining forest, same QA/QC procedures and SOP are used during the process. Additional procedures are applied, and proper SOP were developed. SOP_05: Method for estimating in forest remaining forests the carbon variation.  SOP_06: Field Operations Manual Inventory
Uncertainty for this parameter:	Degradation mapping accuracy estimated by INFOR.
	Error: 32.8%
Any comment:	Link:
	https://plataforma.enccrv.cl/static/erpa/mr2/bosque-
	permanente/Herramienta_BP_No_Conservacion_NR2_MR2_v12.xlsx

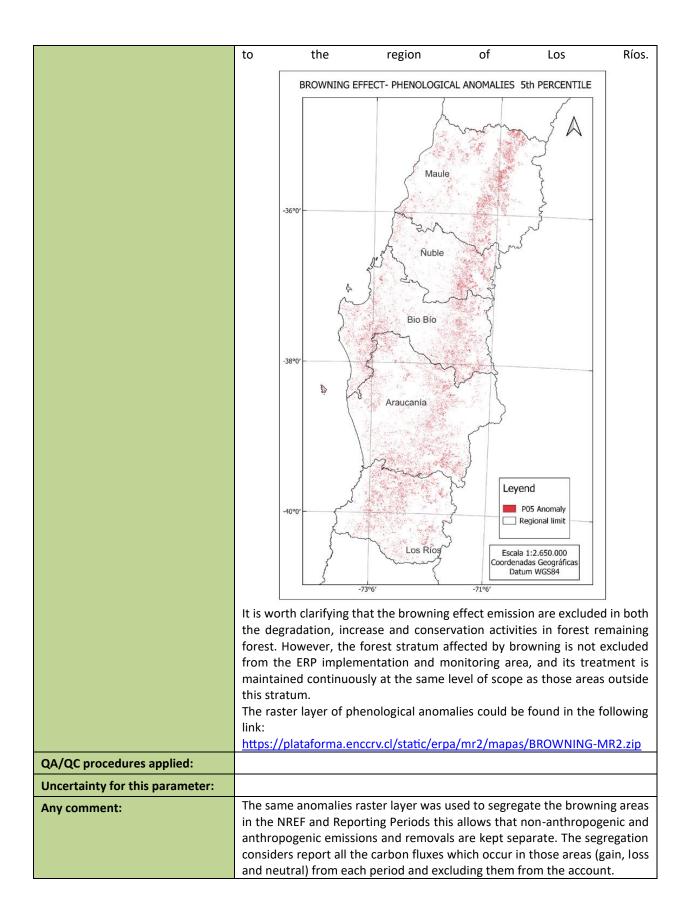
# Conservation activity FREL/FRL

Parameter:	$\Delta A_{TO\_OTHERSi,t}$ = Areas of conservation native forest that remains as such during the 2001-2010 period in the Six Region of the ERP, in areas not affected by browning (NBA).			
Description:	The areas that in 2001 to 2010 are forest in conservation area and remain as such			
Data unit:	Total hectares (ha	a) of the period 2001-2	2010	
Value monitored during this		Region	Area	
Monitoring / Reporting Period:		Maule	3,315	_
		Ñuble	8,882	_
		Biobío	15,509	_
		La Araucanía	27,794	_
		Los Ríos	26,371	_
		Los Lagos	88,396	<u>-</u>
		Total (ha)	170,267	
Source of data and description of measurement/calculation methods and procedures applied:	The data comes from INFOR's National Forest Inventory (IFN) plots, combined with spectral information from the Landsat series. This information integrates the variables of the state of the forests on the number of trees per hectare and basal area recorded by the monitoring of IFN plots, with the spectral data from Landsat to estimate carbon stocks in a spatially explicit way.			
QA/QC procedures applied:	Since one input for AD on enhancement in areas of forest that remain as forest are the Land Use Change Maps in order to define areas of forest remaining forest, same QA/QC procedures and SOP are used during the process. Additional procedures are applied, and proper SOP were developed. SOP_05: Method for estimating in forest remaining forests the carbon variation.  SOP_06: Field Operations Manual			
Uncertainty for this parameter:	Degradation map	ping accuracy estimat	ed by INFOR.	

	Error: 32.8%
Any comment:	Link:
	https://plataforma.enccrv.cl/static/erpa/mr2/bosque-
	permanente/Herramienta_BP_Conservacion_NR2_MR2_v12.xlsx

# Emissions and removals from browning affected forest area FREL/FRL

Parameter:	Browning = Areas of native forest that remains as such affected by browning during the 2001–2010 period in the six Region of the ERP.			
Description:	The areas that in 20 areas that remain as		forests affected I	by browning in forest
Data unit:	Total hectares (ha) o	f the 2001-2010	period.	
Value monitored during this Monitoring / Reporting Period:	Region	Degradation (Ha)	Enhancement (Ha)	Conservation (Ha)
	Maule	24,394	31,978	976
	Ñuble	7,157	8,850	1,342
	Biobío	10,009	14,065	2,666
	La Araucanía	7,725	11,916	776
	Los Ríos	3,323	6,640	299
	Los Lagos	1	0	0
	Total (ha)	52,609	73,449	6,059
Source of data and description of measurement/calculation methods and procedures applied:				



# **Periodic Annual Increment for mixed forest**

Parameter:	Periodic annu	ual increment (PAI) for mixe	d forest
Description:	The mixed forest is calculated as a weighted average value of the forest types present in the region and according to the forest surface present for the activity of enhancement of the period (from no forest to native forest).		
Data unit:	Cubic meter	per hectare and year (m³ ha	<sup>-1</sup> year <sup>-1</sup> )
Source of data or description of the method for developing the data including the spatial level of the data (local, regional, national, international):	Forest native data are national data and published in INGEI (2020)		
Value applied:		Region	PAI NREF
		Maule	(m³ ha <sup>-1</sup> year <sup>-1</sup> ) 2.1
		Ñuble	2.8
		Biobío	3.7
		Araucanía	4.2
		Los Ríos	4.1
		Los Lagos	4.2
QA/QC procedures applied	SOP_06_Field	d Operation Manual	·
Uncertainty associated with this parameter:	SOP_06 Field Operations Manual was implemented during fieldwork to estimate PAI in the National Forest Inventory, for some forest types were possible to adjust a Probability Distribution Function (PDF). For the forest types with a limited number of sampling plots, uncertainty propagation with Monte Carlo analysis uses the calculation of the measurement uncertainty for PAI based on the 95% CI of the removal rate by forest type, calculated with Continuous Forest Inventory data of INFOR.  • PAI Mixed Forest = 28.7% (Average of PAI error for all forest types given lack of data.)		
Any comment:		_	

# 3.2 Monitored Data and Parameters

### a) Deforestation activity MR2

Parameter:	$\Delta A_{TO\_OTHERSi,t}$ = Areas of different Forest Types (i) converted to another category of land use during the 2020-2021 period.			
Description:	Chile has 11 different Native Forest Type in the PRE area.			
Data unit:	Total hectares (ha) of the 2020-2021 period.			
Value monitored during this Monitoring / Reporting Period:	Forest Type Area			
	Alerce	10		
	_ Araucaria	1		
	Cipres de la Cordillera	14		
	Cipres de las Guaitecas	17		
	Coihue - Rauli - Tepa	438		
	Coihue de Magallanes	2		
	<u>Esclerófilo</u>	2,101		
	_ Lenga	67		
	Roble - Hualo	24		
	Roble - Rauli - Coihue	1,291		
	Siempreverde	2,032		
	Without Forest Type	736		
	Total	6,733		
Source of data and description of measurement/calculation methods and procedures applied:	Matrixes of change in land use taken from land-use change maps. Regional, characterized by stunted, adult, young adult, mixed and young forests converted into areas with no vegetation, urban and industrial areas, waterbodies, areas where succulents, wetlands, scrubland, perennial snow and glaciers, grasslands and farmland have formed.			
QA/QC procedures applied:	SOP_02_LULUCF Maps Elaboration_ERPA2 SOP_03_ Standardization and quality control protocol for land use change maps QAQC_03_ Standardization and Quality control for land use change maps_ERPA2			
Uncertainty for this parameter:	The uncertainty of land-use change maps is estimated by comparing the results of the land-use change category on the map and the reference observations corresponding to a sample of visually interpreted points. The errors related to land-use change are calculated following the Good Practice Guidelines for estimating the precision of change of use described in Olofsson et al. (2013) and the estimator of the total area using the separate ratio estimator (formulas from sec. 6.10 of W.G. Cochran, Sampling Techniques, 3rd Edition, 1977)  Error = Maule 40%, Ñuble 34%, Biobío 39%, Araucanía 7%, Los Ríos 87%, Los Lagos 56%.			
Any comment:	Link: https://plataforma.enccrv.cl/static/erpa eforestacion_NR2_MR2_v018.xlsx	/mr2/deforestacion/Herramienta D		

# b) Degradation – forest remaining forest MR2

Parameter:	$A_{DegFF}$ = area of degradation of forests that remain as forests monitored during the 2020-2021 period.			
Description:	The area was described by degradation of native forest that remains as such,			
Description.	in areas not affected by browning (NBA).			
Data unit:	Total hectares (ha)		•	
Value monitored during this	Total Hediales (Ha)	0. 0.0 2020 2021	Jenou.	
Monitoring / Reporting Period:		Region	Area	
37 1 3		Maule	51,300	
		Ñuble	19,161	
		Biobío	34,994	
		La Araucanía	49,899	
		Los Ríos	29,995	
		Los Lagos	77,032	
		Total	262,381	
	' '			
Source of data and description of			tional Forest Inventory	
measurement/calculation methods	· ·	•	on from the Landsat	
and procedures applied:	information integrates the variables of the state of the forests on the			
	number of trees per hectare, basal area and volumes recorded by the			
	monitoring of IFN plots, with the spectral data from Landsat to estimate			
	carbon stocks in a spatially explicit way.  The estimation of the variation in carbon content on forests that remain as			
	such for FREL/FRL and monitoring report for Degradation, Restoration of			
	Forest remaining forests and Forestry Conservation activities is estimated			
	based on information coming from the Continuous Inventory of Forest			
		_	note sensing techniques	-
	satellite images.	- app	moto odnoma toominques	
QA/QC procedures applied:		arbon Flux estimat	ion assessment ERPA2	
	SOP_06_Field Oper		_	
Uncertainty for this parameter:	Degradation mappi		ated by INFOR.	
	Error: 32.8%	<u>-</u>		
Any comment:	Link:			
	https://plataforma.			
	permanente/Herra	<u>mienta BP No Co</u>	nservacion NR2 MR2 v	<u>12.xlsx</u>

c) Degradation - Substitution activity MR2

c) Degradation - Substitution			
Parameter:	A <sub>DegNFF</sub> = Surface of degradation areas resulting from the conversion of forests into plantations during the 2020-2021 period.		
Description:	The total of areas by forest type that was degraded to plantation were registered.		
Data unit:	Total hectares (ha) of the 2020-2021 period.		
Value monitored during this	Forest Type	Area	
Monitoring / Reporting Period:	Alerce	0	
	Araucaria	0	
	Ciprés de la Cordillera	13	
	Ciprés de las Guaitecas	0	
	Coihue - Raulí - Tepa	0	
	Coihue de Magallanes	0	
	Esclerófilo	30	
	Lenga	0	
	Roble - Hualo	13	
	Roble - Raulí - Coihue	237	
	Siempreverde	32	
	Without Forest Type	414	
	Total	739	
Source of data and description of measurement/calculation methods and procedures applied:	To estimate degradation of native forests converted to plantations, the equation used to estimate deforestation is applied, since it is assumed that, to establish a plantation, all the carbon content present in the preceding native forest must be reduced to zero.		
QA/QC procedures applied:	SOP_02_LULUCF Maps Elaboration_ERPA2 SOP_03 Standardization and quality control protocol for land use change maps QAQC_03_ Standardization and Quality control for land use change maps_ERPA2		
Uncertainty for this parameter:	The uncertainty of land-use change maps is estimated by comparing the results of the land-use change category on the map and the reference observations corresponding to a sample of visually interpreted points. The errors related to land-use change are calculated following the Good Practice Guidelines for estimating the precision of change of use described in Olofsson et al. (2013) and the estimator of the total area using the separate ratio estimator (formulas from sec. 6.10 of W.G. Cochran, Sampling Techniques, 3rd Edition, 1977).  Error = Maule 518%, Ñuble 214%, Biobío 138%, Araucanía 126%, Los Ríos 196%, Los Lagos 77%		
Any comment:	Link:  https://plataforma.enccrv.cl/static/erpa/mr2/sustitucion/Herramienta Sustitucion NR2 MR2 v008.xlsx		

# d) Degradation – Forest fire activity MR2

Parameter:	A = Area burr	A = Area burned between 2020-2021 in the ERP Regions.			
Description:	The surface of burned areas was recorded to estimate the degradation of the native forest.				
Data unit:	Total hectare	s (ha) of the 2020	-2021 period.		
Value monitored during this Monitoring / Reporting Period:	Region 2020's area 2021's area				
		Maule	9,570.7	2,840.23	_
		Ñuble	209.14	255.37	_
		Biobío	2,587.28	186.03	_
	La Araucanía 3,314.25 510.83				_
		Los Ríos	193.07	20.35	_
		Los Lagos	15.53	215.23	_
	Total (ha) 15,889.96 4,028.05				
Source of data and description of measurement/calculation methods and procedures applied:	The Forest Fire Protection Department and its Digital Information System for Operations Control (SIDCO), provides annualized statistical information on the occurrence of forest fires for the entire country, which in recent years has been improved by adding the spatial location of fires.				
QA/QC procedures applied:	SOP_07_ForestFire_Polygons				
Uncertainty for this parameter:	Area burned uncertainty estimated by INGEI (2020)				
	Error: 15%				
Any comment:	Link:  https://plataforma.enccrv.cl/static/erpa/mr2/incendios/Herramienta Incendios NR2 MR2 v016.xlsx				

# e) Enhancement activity – No forest to native forest MR2

Parameter:	$\Delta A_{TOOTHERSi, t}$ = Non-forest land use area converted to forest during the crediting period.			
Description:	The areas that correspond to non-forest lands were quantified in hectares to later estimate the carbon capture balances of these land changes use. In this data forest plantations with exotic species are included as non-forest land.			
Data unit:	Total hectares (ha) of the 2020-2021 perio	d.		
Value monitored during this				
Monitoring / Reporting Period:	Forest Type	Area		
	Alerce	0		
	<u> Araucaria</u>	0		
	Cipres de la Cordillera	0		
	Cipres de las Guaitecas	0		
	Coihue - Rauli - Tepa	0		
	Coihue de Magallanes	0		
	Esclerófilo	0		
	_ Lenga	0		
	Roble - Hualo	0		
	Roble - Rauli - Coihue	0		
	Siempreverde 0			
	Without Forest Type (mixed forest)	0		
	Total (ha)	0		
Source of data and description of	A semi-automated technique is applied to detect changes using satellite			
measurement/calculation	images. The Multi-index method or MIICA (Jin et al., 2013) detects land use			
methods and procedures applied:	changes for the period under study.			
	The MIICA methodology is based on the			
	(dNBR, dNDVI) which, through integration change, indicating the magnitude and dire			
	loss).	ectionality of the change. (Gain and		
	The MIICA methodology used images from the Landsat 8 sensor and was			
	applied through a series of codes in programming language (JavaScript, R)			
	complemented with Google Earth Engine cloud processing, in GIS programs			
	and R software, with the objective of obtaining an efficient land use change map.			
QA/QC procedures applied:	SOP 02 LULUCF Maps Elaboration ERPA2			
X / X - P	SOP_03 Standardization and quality control protocol for land use change			
	maps			
	QAQC_03_ Standardization and Quality control for land use change maps_ERPA2			
Uncertainty for this parameter:	The uncertainty of land-use change map	, , ,		
	results of the land-use change category	•		
	observations corresponding to a sample errors related to land-use change are calc			
	Guidelines for estimating the precision of c	=		
	et al. (2013) and the estimator of the to	_		

	estimator (formulas from sec. 6.10 of W.G. Cochran, Sampling Techniques, 3rd Edition, 1977)  Error = Maule NA, Ñuble NA, Biobío NA, Araucanía NA, Los Ríos NA, Los Lagos NA. The error does not apply because no enhancement activity was mapped.
Any comment:	The error does not apply because no enhancement activity was mapped.
	Link:
	https://plataforma.enccrv.cl/static/erpa/mr2/aumento/Herramienta Aume
	ntos NR2 MR2 v029.xlsx

f) Enhancement activity – forest remains forest in non-conservation areas MR2		
Parameter:	$A_{EnhFF}$ = Areas of non-conservation native forest that remains forest during the 2020-2021 period for the six Region of the ERP.	
Description:	The number of hectares of forest that remains as forest during the period 2020 - 2021 was estimated, in non-conservation areas considering that they are not within an area affected by browning (NBA).	
Data unit:	Total hectares (ha) of the 2020-2021 period.	
Value monitored during this Monitoring / Reporting Period:	Region	Area
	Maule	62,001
	Ñuble	20,744
	Biobío	33,108
	La Araucanía	44,453
	Los Ríos	28,777
	Los Lagos	72,113
	Total (ha)	261,196
Source of data and description of measurement/calculation methods and procedures applied:	The data comes from INFOR's IFN plots, combined with spectral information from Landsat series. This information integrates the variables of the state of the forests on the number of trees per hectare and basal area recorded by the monitoring plots, with the spectral data from Landsat to estimate carbon stocks in a spatially explicit way.	
QA/QC procedures applied:	SOP_05_Forest Carbon Flux estimation assessment_ERPA2 SOP_06_Field Operation Manual	
Uncertainty for this parameter:	Degradation mapping accuracy estimated by INFOR. Error: 32.8%	
Any comment:	Link: <a href="https://plataforma.enccrv.cl/static/erpa/mr2/bosque-permanente/Herramienta">https://plataforma.enccrv.cl/static/erpa/mr2/bosque-permanente/Herramienta</a> BP No Conservacion NR2 MR2 v12.xlsx	

g) Conservation activity MR2

Parameter:	$\Delta A_{TO\_OTHERSi,t}$ = areas of conservation of native forest that remains as such during the 2020-2021 period in the six Region of the ERP.				
Description:	The areas that in 2020-2021 are forest in conservation area and remain as such.				
Data unit:	Total hectares (ha) o	f the 2020-2021 pe	riod.		
Value monitored during this Monitoring / Reporting Period:	Region Area				
		Maule	3,041		
		Ñuble	6,330		
		Biobío	10,215	-	
		La Araucanía	20,372		
		Los Ríos	25,406		
		Los Lagos	106,482		
		Total (ha)	171,846		
Source of data and description of measurement/calculation methods and procedures applied:	Landsat series. This forests on the numb	information integra per of trees per hea plots, with the spe	ates the variable ctare and basale ctral data from	information from the es of the state of the area recorded by the Landsat to estimate	
QA/QC procedures applied:	SOP_05_Forest Carb SOP_06_Field Opera		assessment_ER	PA2	
Uncertainty for this parameter:	Degradation mapping accuracy estimated by INFOR.  Error: 32.8%				
Any comment:	Link:  https://plataforma.e			2 v12.xlsx	

# h) Emissions and removals from browning affected forest area MR2

Parameter:	Brow	Browning = Areas of native forest that remains as such affected by browning					
	durin	during the 2020 – 2021 period in the six Region of the ERP.					
Description:	The a	reas that in 20	20 to 2021 are	forests affected	by browning in forest		
	areas	that remain as	such.				
Data unit:	Total	hectares (ha) o	f the 2020-2021	period.			
Value monitored during this		Region	Degradation	Enhancement	Conservation		
Monitoring / Reporting Period:	_	Region	(Ha)	(Ha)	(Ha)		
	_	Maule	18,827	23,058	971		
	_	Ñuble	5,138	5,372	1,066		
	_	Biobío	8,313	7,662	1,839		
	_	La Araucanía	6,337	5,964	430		
	_	Los Ríos	3,003	2,743	191		
	_	Los Lagos	0	0	0		
		Total (ha)	41,618	44,799	4,497		

# Source of data and description of measurement/calculation methods and procedures applied:

For the second monitoring period, the same methodology applied in both the NREF and RP1 was carried out regarding the segregation of non-anthropogenic emission through the exclusion of the areas affected by browning (BA) in forest remaining forest. These areas are considered as a non-anthropogenic emission source because the carbon fluxes that occurs on these areas are not related to human activities as the deforestation activity and t is generated by the decreases in precipitation falls, and water availability. The areas affected by browning correspond to those areas of forest that remain as forests that present phenological anomalies because of the impact of the megadrought. These anomalies were detected in the integral productivity of native forest in the ERP implementation area and are under the 5th percentile data productivity anomaly (GAC,2023). The phenological anomaly results in the desiccation of the crowns, loss of foliage and even the mortality of individuals.

The same anomalies raster layer was used to segregate the browning areas in the NREF and Reporting Periods and considers all the carbon fluxes which occur in those areas (gain, loss and neutral) from each period. This allows that non-anthropogenic and anthropogenic emissions and removals are kept separate.

#### QA/QC procedures applied:

#### **Uncertainty for this parameter:**

#### Any comment:

Regarding to the provisions will be established towards monitoring browning area recovery, the areas will continue to be monitored as part of the PRE's accounting area in accordance with the established methodology and monitoring plan. These areas are not being excluded and it is expected that, if they remain as forest, the recovery or loss of the stock can be detected, or that emissions can be detected in the event that they are deforested, which will be reported in the third monitoring event to guarantee the account of emissions resulting from any land use changes and any other anthropogenic activities in the areas affected by browning.

Notwithstanding the above, it is not feasible to propose that these areas can recover their initial condition prior to the disturbance, since even if restoration or recovery actions are carried out, there is no certainty of the result they may have in reversing the effect of water deficit and stress.

The raster layer of phenological anomalies could be found in the following link:

https://plataforma.enccrv.cl/static/erpa/mr2/mapas/BROWNING-MR2.zip

# 4 QUANTIFICATION OF EMISSION REDUCTIONS

# 4.1 ER Program Reference level for the Monitoring / Reporting Period covered in this report

Year of Monitoring/ Reporting period t	Average annual historical emissions from deforestation over the Reference Period (tCO <sub>2-e</sub> /yr)	If applicable, average annual historical emissions from forest degradation over the Reference Period (tCO <sub>2-e</sub> /yr)	If applicable, average annual historical removals by sinks over the Reference Period (tCO <sub>2-e</sub> /yr)	Adjustment, if applicable (tCO <sub>2-e</sub> /yr)	Reference level (tCO <sub>2</sub> - <sub>e</sub> /yr)
2020	5,140,727	11,914,436	-10,740,394	NA	6,314,770
2021	5,140,727	11,914,436	-10,740,394	NA	6,314,770
Total	10,281,454	23,828,872	-21,480,788	0	12,629,539

# 4.2 Estimation of emissions by sources and removals by sinks included in the ER Program's scope

Year of Monitoring/ Reporting Period	Emissions from deforestation (tCO <sub>2-e</sub> /yr)	If applicable, emissions from forest degradation $(tCO_{2-e}/yr)^*$	If applicable, removals by sinks (tCO <sub>2-e</sub> /yr)	Net emissions and removals (tCO <sub>2</sub> . e/yr)	
2020	1,390,352	27,826,068	-26,452,737	2,763,683	
2021	1,390,352	27,826,068	-26,452,737	2,763,683	
Total	2,780,704	55,652,136	-52,905,474	5,527,366	

## 4.3 Calculation of emission reductions

	Deforestation	If applicable, forest degradation	If applicable, enhanced removals from afforestation/reforestation (A/R)	If applicable, enhanced removals from other activities besides A/R	Total (tCO <sub>2-e</sub> )		
Emission or removals in the Reference Level (tCO <sub>2-e</sub> )	10,281,454	23,828,872	-1,084,890	-20,395,898	12,629,539		
Emissions or removals under the ER Program during the Monitoring Period (tCO <sub>2-e</sub> )	2,780,704	55,652,136	-1,676,938	-51,228,536	5,527,366		
Emission Reductions during the Monitoring Period (tCO <sub>2</sub> -e)	7,500,751	-31,823,264	592,048	30,832,638	7,102,173		
Length of the Reporting period / Length of the Monitoring Period (# days/# days)		757/730					
Emission Reductions during the Reporting Period (tCO <sub>2</sub> -e)	7,778,176	-33,000,288	613,945	31,973,024	7,364,856		

\* Please list below which of the ER Program measures other than A/R that are being considered to generate enhanced removals: consider removals from enhancement in forest remaining forest and from conservation of carbon stock activities.

Emission reductions from	8.3%
enhanced removals from	
afforestation/reforestation	
as a percentage of the	
total removals (%)	

Α	Total Reference Level emissions during the Monitoring Period (tCO <sub>2</sub> -e)	12,629,539
В	Net emissions and removals under the ER Program during the Monitoring Period (tCO <sub>2</sub> -e)	5,527,366
С	Emission Reductions during the Monitoring Period (tCO <sub>2</sub> -e)	7,102,173
D	Length of the Reporting period / Length of the Monitoring Period (# days/# days)	757/730
E	Emission Reductions during the Reporting Period (tCO <sub>2</sub> -e) <sup>22</sup>	7,364,856
F	Cumulative quantity of Total ERs estimated for prior reporting periods (tCO <sub>2</sub> -e, only use if negative)	-5,353,046
G	Cumulative Emission Reductions during the Reporting Period (tCO <sub>2</sub> -e)	2,011,810

<sup>&</sup>lt;sup>22</sup> Spreadsheet available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/resultados/0.-Resultados MRV ERPA RP2 v10.xlsx">https://plataforma.enccrv.cl/static/erpa/mr2/resultados/0.-Resultados MRV ERPA RP2 v10.xlsx</a>

#### 5 UNCERTAINTY OF THE ESTIMATE OF EMISSION REDUCTIONS

The country allocated Emission Reductions attributed to the reporting pro-rata period to the number of days of the Reporting Period. Chile applied a pro-rata factor of 1.03699. The ER global uncertainty was estimated with and without the pro-rata factor. The quantification of the uncertainty estimates of Emission Reductions and the sensitivity analysis included in this section have been calculated applying the pro-rata values.

#### 5.1 Identification, assessment and addressing sources of uncertainty

In the table below, the country identified and discussed a list of the main sources of uncertainty and if its contribution to the total uncertainty of Emission Reductions is high or low, and whether they are systematic or random. In addition, the table includes the measures implemented to address these sources of uncertainty as part of the Monitoring Cycle.

Since a sampling approach is not used for Activity Data and emission factors are estimated from a model-based estimator, the uncertainty estimate of reduced emissions has deviated from the Guidelines on uncertainty ERs.

Sources of uncertainty	Systematic	Random	Analysis of contribution to overall uncertainty	Contribution to overall uncertainty (High / Low)	Addressed through QA/QC?	Residual uncertainty estimated?
Activity Data						
Measurement (Land use change)	*	<b>✓</b>	Land-use and land-use change areas: The Activity Data for deforestation, substitution, restitution, area increase of native forest, and permanent forest lands come from Land-use changes maps. A Protocol have been prepared to facilitate the replication of the mapping steps from the digital processing of satellite images. All procedures required to prepare land-use and land-use change maps are described in the Methodological Protocol for the land-use and land-use change mapping in Native Forest (SOP 02). This protocol includes inputs, data sets, and the methodological steps necessary to generate thematic cartography and statistical reports at the national level on the extension, distribution, and land-use change. The land-use change detection maps are prepared with the Multi-Index Integrated Change Analysis methodology (MIICA - Jin et al., 2013), both for the reference and reporting periods. The application of the MIICA methodology uses the Landsat 7 multipixel mosaics for the reference period and Landsat 8 for the monitoring period.  Land-use change control polygons (ground truth) are taken proportionally to each of the regions' surface to establish the spectral thresholds of the zones of change and the evaluated index for each IPCC land-use category. Next, the polygons are verified visually on the time series of high-resolution images provided by the Google Earth software. Finally, land-use allocation of the loss vector layer is done applying a supervised classification method to the multi-pixel mosaic. Additionally, temporal tracking of land-use	Low	Yes: SOP_01_Satellite mosaic elaboration_ERPA2 and QAQC_01_Mosaics elaboration metadata_ERPA2  https://plataforma. enccrv.cl/static/erp a/mr2/sop/SOP_01 _MR2.zip  SOP_02_LULUCF Maps Elaboration_ERPA2  https://plataforma. enccrv.cl/static/erp a/mr2/sop/SOP_02 _MR2.zip  QAQC_03_ Standardization and Quality control for land use change maps_ERPA2 https://plataforma. enccrv.cl/static/erp a/mr2/sop/SOP_03 _MR2.zip	NO

Sources of uncertainty Sy	ystematic	Random	Analysis of contribution to overall uncertainty  changes is done by integrating the polygons of areas of change resulting from each monitoring period into the existing layers of change maps.  The topological conditions, data geometry, databases, and map attributes are reviewed in detail. Then, any discrepancies or inconsistencies are sent to the responsible team for resolution (SOP 03). After the solution, the inconsistency is double checked.	Contribution to overall uncertainty (High / Low)	Addressed through QA/QC?	Residual uncertainty estimated?
			The result of the activity data measurement is reviewed to ensure consistency, according to the sum of REDD+ activities areas and the surface region. This process is applied during the integration of final calculation results, and in case of finding inconsistencies, the integration must stop, and the input data must be verified. Finally, Uncertainties associated with AD are due to the production process of land use maps. The uncertainties of the AD for deforestation, substitution, restitution, area increase of native forest, and permanent forest activities are associated with the errors of the satellite image processing during the preparation of land-use change maps.  The uncertainty of land-use change maps <sup>23</sup> is estimated by comparing the results of the land-use change category on the map and the reference observations corresponding to a sample of visually interpreted points. Factors influencing the estimation of uncertainty are the sampling design and the sample size used to assess the precision and accuracy of the maps. The errors related to land-use change are calculated following the Good Practice Guidelines for estimating the precision of change of use described in Olofsson et al. (2013). This approach is applied with the FAO Collect Earth tool. The sample size of the accuracy assessment of the land-use change maps is calculated considering the user's precision parameters for each land use or category of change. These parameters are obtained from a pre-sampling. The sample size is calculated assuming a standard error of the precision of 0.01 using the equation of Cochran (1977). The evaluation points are selected with a stratified random sampling design for each IPCC sub-use in each region.			

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<sup>&</sup>lt;sup>23</sup> Available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/analisis-incertidumbre/Incertidumbre-Mapas-MR2.zip">https://plataforma.enccrv.cl/static/erpa/mr2/analisis-incertidumbre/Incertidumbre-Mapas-MR2.zip</a>

Sources of uncertainty	Systematic	Random	Analysis of contribution to overall uncertainty	Contribution to overall uncertainty (High / Low)	Addressed through QA/QC?	Residual uncertainty estimated?
Measurement (Forest remaining forest)	<b>✓</b>	<b>✓</b>	Permanent forest degradation and carbon enhancement: The Activity Data for degradation and carbon enhancement in permanent forest lands comes from satellite imaging and IFN biomass information integration.  A Protocol has been prepared to facilitate replicating the mapping process from the digital processing of satellite images and IFN biomass information (SOP 05). All procedures are described in the Protocol to prepare carbon flux, stock, and degradation mapping in the permanent forest. This protocol includes methods description, spatial and dasometric information, and satellite data processing required to estimate activity data for degradation and carbon enhancement.  The sources of error for estimating carbon degradation and enhancement activity data on permanent forest lands are:  Uncertainty associated with the forest density charts used to determine the direction of carbon flux (neutral, loss or gain) for each pixel. This uncertainty has been estimated in 32.8%.  Uncertainty associated with integrating the multipixel mosaic satellite data with the dasometric variables. This uncertainty has been estimated by calculating the Standard Error of Estimation of the volume function k-nn. This uncertainty has been estimated in 57%.	High	Yes, for a and b sources:  SOP_05: Forest Carbon Flux estimation assessment_ERPA2 https://plataforma.e nccrv.cl/static/erpa/mr2/sop/SOP_05 MR2.zip  SOP_06: SOP06 Field Operations Manual https://plataforma.e nccrv.cl/static/erpa/mr2/sop/SOP_06 MR2.zip	NO
Representativ eness	✓		Land-use and land-use change areas: Multi-pixel mosaics are prepared with a temporal range with cloud-free pixels to obtain representative satellite images of the beginning and end of each period. The multi-pixel mosaic is an image composed of pixels of different images extracted from the definition of a range or time window. The selection of each pixel seeks to define the best information available in a specific area, prioritizing above all that they are pixels free of cloud and cloud shadows. Given the high cloud cover present in southern Chile, a ± 3 months window is used for the start and end date of the analyzed period. For example, considering the period 2020 - 2021, the start date is January 1, 2020, the range or time window will correspond from October 1, 2019, to March 31, 2020; the multipixel mosaic time window for the end of period (December 31, 2021) is from October 1, 2021, to March 31, 2022.	Low	Yes:  SOP_01_Satellite mosaic elaboration_ERPA2 and QAQC_01_Mosaics elaboration metadata_ERPA2  https://plataforma. enccrv.cl/static/erp a/mr2/sop/SOP_01 MR2.zip	NO
Sampling	NA	NA	Land-use and land-use change areas: This source of uncertainty is not applicable. It is not required to use a sampling technique to estimate ADs for carbon deforestation, substitution, restitution, area increase of native forest, and permanent forest lands. The AD estimation is made with a	NA	NA	NA

Sources of uncertainty	Systematic	Random	Analysis of contribution to overall uncertainty	Contribution to overall uncertainty (High / Low)	Addressed through QA/QC?	Residual uncertainty estimated?
			total pixel count of the carbon content map for			
	NA	NA	each land-use change category.  Permanent forest degradation and carbon enhancement: This source of uncertainty is not applicable. It is not required to use a sampling technique to estimate ADs for carbon degradation and enhancement. The AD estimation is made with a total pixel count of the carbon content map for each flow category (biomass gain or loss).	NA	NA	NA
Extrapolation	NA	NA	This source of uncertainty is not applicable. Extrapolation is not applied to estimate REDD+ activities, the sample-based estimation area method is not used. All REDD+ activities are calculated from spatially explicit information.	NA	NA	NA
Approach 3	NA	NA	This source of uncertainty is not applicable. Activity data were estimated conducting tracking of lands or IPCC Approach 3 for reference and monitoring periods.	NA	NA	NA
Emission Factor	r					
BH measurement H measurement Plot delineation Wood density estimation Biomass allometric model	*	✓	Aerial Biomass The measurement uncertainty for aerial biomass estimate depends on the land-use carbon density data source: Aerial biomass of native and mixed forest: SOP_06 Field Operations Manual was implemented during fieldwork for the estimation of AGB in the National Forest Inventory. For some forest types were possible to adjust a Probability Distribution Function (PDF). For the forest types with a limited number of sampling plots, uncertainty propagation with Monte Carlo analysis uses the following information: DBH measurement error (0.2%). Calculation based on Continuous Forest Inventory data of INFOR. Volume estimation error (0.07%). Calculation based on Continuous Forest Inventory data of INFOR. Biomass Expansion Factor (BEF) error (18.0%). BEF comes from information collected in the country from the study of Gayoso et al. (2002) and used in INGEI (2020). This value is for native species and has a national spatial level. Error calculation is based on statistical data from the Biomass Inventory and Carbon Accountancy of the Universidad Austral de Chile (UACh). Wood Density (5.6%). Calculated using basic density data collected from native species growing in Chile. A bibliographic review of basic densities of the forest species in Chile was carried out and there were no modifications for the value exposed form Gayoso et al. (2002) and INGEI (2020).	Low	Yes, for a:  SOP_06: Field Operation Manual https://plataforma.e nccrv.cl/static/erpa/ mr2/sop/SOP 06 MR2.zip	Yes

Sources of uncertainty	Systematic	Random	Analysis of contribution to overall uncertainty	Contribution to overall uncertainty (High / Low)	Addressed through QA/QC?	Residual uncertainty estimated?
			Finally, these uncertainties are combined following IPCC approach 1 (propagation of error), resulting in total uncertainty of 18.85%.  Aerial biomass of non-forest uses: Monte Carlo analysis uses error estimation published in INGEI (2020) and Gayoso (2006) and Expert judgment estimates (IPCC, 2006). The error of carbon density for wetlands, water bodies, and other non-vegetations uses was assumed cero due to a lack of data.  Annual Periodic Increment (IPA Spanish acronym): SOP_06 Field Operations Manual was implemented during fieldwork to estimate IPA in the National Forest Inventory, for some forest types were possible to adjust a Probability Distribution Function (PDF). For the forest types with a limited number of sampling plots, uncertainty propagation with Monte Carlo analysis uses the calculation of the measurement uncertainty for IPA based on the 95% CI of the removal rate by forest type, calculated with Continuous Forest Inventory data of INFOR.			
Sampling		<b>√</b>	The Continuous Inventory of Forestry Ecosystems, henceforth referred to as the Continuous Inventory, managed by INFOR, and has been operational since 2000. The Continuous Inventory was designed under a statistical bi-stage design in three circular sample plot clusters in an area equivalent to 500m2 distributed in a systematic area of 5x7km. The sampling units have been systematically distributed over the national territory from the Maule to the Magallanes region.	Low	Yes:  QA / QC applied in SOP06 https://plataforma.e nccrv.cl/static/erpa/ mr2/sop/SOP_06_ MR2.zip	Yes
Other parameters (e.g. Carbon Fraction, root-to-shoot ratios)	<b>✓</b>	✓	Root-to-shoot ratio (R factor-40% error): R factor comes from information collected in the country (Gayoso et al., 2002; INGEI, 2020). This value is within the range indicated in the 2006 IPCC Guidelines for temperate forests (between 0.20 and 0.46, according to Table 4.4; Chapter 4; Volume 4) and within of the values available worldwide, which provide R factors that range between 0.09 and 0.33. This value is for native species and has a national spatial level. Error calculation based on statistical data from the Biomass Inventory and Carbon Accountancy of the Universidad Austral de Chile (UACh). Finally, aerial biomass and R factor uncertainties are combined following IPCC approach 1 (propagation of error), resulting in total uncertainty of 44.2%.	Low	NA	Yes
Representativ eness	NA	NA	This source of uncertainty is not applicable. Chile generates estimates of carbon densities per forest type, and non-forest land uses. Different forest types and structures classify the native forest. Each forest type has its biomass value depending on	NA	NA	NA

Sources of uncertainty	Systematic	Random	Analysis of contribution to overall uncertainty	Contribution to overall uncertainty (High / Low)	Addressed through QA/QC?	Residual uncertainty estimated?
			data availability. Also, non-forest lands include the following uses: Urban and Industrial Areas, agricultural land, grassland, scrub, arborescent scrub, shrub planting, succulent scrub, succulent formations, plantations, wetlands, areas deprived of vegetation, eternal snows and glaciers, waterbodies and unrecognized areas.			
Integration						
Model	<b>√</b>		Calculation tools have been prepared to estimate Emission Reductions, including the FREL and Monitoring Period for REDD activity. In these tools, you can review the formulas used to estimate ERs. The country prepared these tools to ensure the same calculation methods are applied for all monitoring events and avoid errors during the processing and data preparation.	Low	NA	No
Integration	<b>√</b>		The Emission factors were calculated for each region and forest type according to AGB sampling plots' location to assure the comparability between transition classes of the Activity Data and those of the Emission Factors. This source of uncertainty is considered in the sampling error of the AGB inventory.	Low	Yes: SOP_06_Field Operation Manual https://plataforma.e nccrv.cl/static/erpa/ mr2/sop/SOP_06 MR2.zip	No

#### 5.2 Uncertainty of the estimate of Emission Reductions

#### Parameters and assumptions used in the Monte Carlo method

The following table shows the parameters and assumptions used in the Monte Carlo Analysis <sup>24</sup>to estimate the uncertainty of the Emission Reduction for the Monitoring Period. The parameter where the type of Probability Distribution Function (PDF) is fitted indicates the p-value of the adjustment obtained for the distribution function and its parameters

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<sup>&</sup>lt;sup>24</sup> Available in <a href="https://plataforma.enccrv.cl/static/erpa/mr2/analisis-incertidumbre/Incertidumbre-Global-MR2.zip">https://plataforma.enccrv.cl/static/erpa/mr2/analisis-incertidumbre/Incertidumbre-Global-MR2.zip</a>

Parameter included in the model	Parameter values	Error sources quantified in the model	Probability distribution function	Assumptions
Activity Data				
Non-Forest land - Forest Maule Reference Period (ha/yr)	6,239	10.9%	Normal	Activity Data uncertainty used
Non-Forest land - Forest Ñuble Reference Period (ha/yr)	546	10.9%	Normal	in Monte Carlo Analysis was
Non-Forest land - Forest Biobio Reference Period (ha/yr)	1,795	8.84%	Normal	calculated using the
Non-Forest land - Forest Araucanía Reference Period(ha/yr))	2,545	7.9%	Normal	confidence limits of the
Non-Forest land - Forest Los Ríos Reference Period (ha/yr)	1,468	9.4%	Normal	sampling-based land-use
Non-Forest land - Forest Los Lagos Reference Period (ha/yr)	929	11.0%	Normal	change estimation areas for
Non-Forest land - Forest Maule Monitoring Period (ha/yr)	80,038	10.9%	Normal	the reference and monitoring
Non-Forest land - Forest Ñuble Monitoring Period (ha/yr)	6,722	10.9%	Normal	periods.
Non-Forest land - Forest Biobio Monitoring Period (ha/yr)	22,438	10.9%	Normal	
Non-Forest land - Forest Araucanía Monitoring Period (ha/yr))	32,961	7.9%	Normal	
Non-Forest land - Forest Los Ríos Monitoring Period (ha/yr)	19,004	9.4%	Normal	
Non-Forest land - Forest Los Lagos Monitoring Period (ha/yr)	11,994	11.0%	Normal	
Forest land – Non-Forest Maule Reference Period (ha/yr)	634	11.1%	Normal	
Forest land – Non-Forest Ñuble Reference Period (ha/yr)	424	11.1%	Normal	
Forest land – Non-Forest Biobio Reference Period (ha/yr)	1,147	3.4%	Normal	
Forest land – Non-Forest Araucanía Reference Period(ha/yr))	1,319	9.9%	Normal	
Forest land – Non-Forest Los Ríos Reference Period (ha/yr)	1,281	8.0%	Normal	
Forest land – Non-Forest Los Lagos Reference Period (ha/yr)	3,256	23.4%	Normal	
Forest land – Non-Forest Maule Monitoring Period (ha/yr)	1,022	11.1%	Normal	
Forest land – Non-Forest Ñuble Monitoring Period (ha/yr)	172	11.1%	Normal	
Forest land – Non-Forest Biobio Monitoring Period (ha/yr)	310	3.4%	Normal	
Forest land – Non-Forest Araucanía Monitoring Period (ha/yr))	266	9.9%	Normal	
Forest land – Non-Forest Los Ríos Monitoring Period (ha/yr)	308	8.0%	Normal	
Forest land – Non-Forest Los Lagos Monitoring Period (ha/yr)	1,288	23.4%	Normal	
Aum No Conserv Bajo C en 2001, entre [B-C] en 2010 RP (ha/yr)	47,034	32.8%	Normal	Degradation mapping
Aum No Conserv Entre [B-C] en 2001 y sobre B en 2010 RP (ha/yr)	165,411	32.8%	Normal	accuracy estimated by INFOR.
Aum No Conserv Bajo C en 2001 y sobre B en 2010 RP (ha/yr)	162,204	32.8%	Normal	
Aum No Conserv Bajo C en 2001 y bajo C en 2010 RP (ha/yr)	66,668	32.8%	Normal	
Aum No Conserv Entre [B-C] en 2001, entre [B-C] en 2010 RP (ha/yr)	21,878	32.8%	Normal	
Aum No Conserv Bajo C en 2020, entre [B-C] en 2021 MP (ha/yr)	25,521	32.8%	Normal	
Aum No Conserv Entre [B-C] en 2020 y sobre B en 2021 MP (ha/yr)	99,879	32.8%	Normal	
Aum No Conserv Bajo C en 2020 y sobre B en 2021 MP (ha/yr)	77,087	32.8%	Normal	
Aum No Conserv Bajo C en 2020 y bajo C en 2021 MP (ha/yr)	43,548	32.8%	Normal	
Aum No Conserv Entre [B-C] en 2020, entre [B-C] en 2021 MP (ha/yr)	15,161	32.8%	Normal	
Deg No Conserv Sobre B en 2001 y bajo C en 2010 RP (ha/yr)	105,699	32.8%	Normal	
Deg No Conserv Entre [B-C] en 2001 y bajo C en 2010 RP (ha/yr)	38,888	32.8%	Normal	

Parameter included in the model	Parameter values	Error sources quantified in the model	Probability distribution function	Assumptions
Deg No Conserv Sobre B en 2001, Entre [B-C] en 2010 RP (ha/yr)	129,910	32.8%	Normal	
Deg No Conserv Bajo C en 2001 y bajo C en 2010 RP (ha/yr)	62,074	32.8%	Normal	
Deg No Conserv Entre [B-C] en 2001, entre [B-C] en 2010 RP (ha/yr)	20,919	32.8%	Normal	
Deg No Conserv Sobre B en 2020 y bajo C en 2021 MP (ha/yr)	73,878	32.8%	Normal	
Deg No Conserv Entre [B-C] en 2020 y bajo C en 2021 MP (ha/yr)	24,963	32.8%	Normal	
Deg No Conserv Sobre B en 2020, Entre [B-C] en 2021 MP (ha/yr)	105,388	32.8%	Normal	
Deg No Conserv Bajo C en 2020 y bajo C en 2021 MP (ha/yr)	42,897	32.8%	Normal	
Deg No Conserv Entre [B-C] en 2020, entre [B-C] en 2021 MP (ha/yr)	15,255	32.8%	Normal	
Aum Conserv Bajo C en 2001, entre [B-C] en 2010 RP (ha/yr)	8,479	32.8%	Normal	
Aum Conserv Entre [B-C] en 2001 y sobre B en 2010 RP (ha/yr)	35,783	32.8%	Normal	
Aum Conserv Bajo C en 2001 y sobre B en 2010 RP (ha/yr)	24,973	32.8%	Normal	
Aum Conserv Bajo C en 2001 y bajo C en 2010 RP (ha/yr)	10,996	32.8%	Normal	
Aum Conserv Entre [B-C] en 2001, entre [B-C] en 2010 RP (ha/yr)	5,204	32.8%	Normal	
Aum Conserv Bajo C en 2020, entre [B-C] en 2021 MP (ha/yr)	7,556	32.8%	Normal	
Aum Conserv Entre [B-C] en 2020 y sobre B en 2021 MP (ha/yr)	34,595	32.8%	Normal	
Aum Conserv Bajo C en 2020 y sobre B en 2021 MP (ha/yr)	25,153	32.8%	Normal	
Aum Conserv Bajo C en 2020 y bajo C en 2021 MP (ha/yr)	10,225	32.8%	Normal	
Aum Conserv Entre [B-C] en 2020, entre [B-C] en 2021 MP (ha/yr)	4,788	32.8%	Normal	
Deg Conserv Sobre B en 2001 y bajo C en 2010 MP (ha/yr)	25,257	32.8%	Normal	
Deg Conserv Entre [B-C] en 2001 y bajo C en 2010 MP (ha/yr)	7,991	32.8%	Normal	
Deg Conserv Sobre B en 2001, Entre [B-C] en 2010 MP (ha/yr)	36,182	32.8%	Normal	
Deg Conserv Bajo C en 2001 y bajo C en 2010 MP (ha/yr)	10,415	32.8%	Normal	
Deg Conserv Entre [B-C] en 2001, entre [B-C] en 2010 MP (ha/yr)	4,987	32.8%	Normal	
Deg Conserv Sobre B en 2020 y bajo C en 2021 RP (ha/yr)	27,252	32.8%	Normal	
Deg Conserv Entre [B-C] en 2020 y bajo C en 2021 RP (ha/yr)	7,338	32.8%	Normal	
Deg Conserv Sobre B en 2020, Entre [B-C] en 2021 RP (ha/yr)	39,745	32.8%	Normal	
Deg Conserv Bajo C en 2020 y bajo C en 2021 RP (ha/yr)	10,398	32.8%	Normal	
Deg Conserv Entre [B-C] en 2020, entre [B-C] en 2021 RP (ha/yr)	4,796	32.8%	Normal	
Forest land - Forest Plantation Maule RP (ha/yr)	1,846	11.1%	Normal	Activity Data uncertainty used
Forest land - Forest Plantation Ñuble RP (ha/yr)	771	11.1%	Normal	in Monte Carlo Analysis was
Forest land - Forest Plantation Bío-Bío RP (ha/yr)	1,478	3.4%	Normal	calculated using the
Forest land - Forest Plantation La Araucanía RP (ha/yr)	2,732	9.9%	Normal	confidence limits of the
Forest land - Forest Plantation Los Ríos RP (ha/yr)	894	8.0%	Normal	sampling-based land-use
Forest land - Forest Plantation Los Lagos RP (ha/yr)	609	23.4%	Normal	change estimation areas for
Forest land - Forest Plantation Maule MP (ha/yr)	91	11.1%	Normal	the reference and monitoring
Forest land - Forest Plantation Ñuble MP (ha/yr)	9	11.1%	Normal	periods.
Forest land - Forest Plantation Bío-Bío MP (ha/yr)	141	3.4%	Normal	

Parameter included in the model	Parameter values	Error sources quantified in the model	Probability distribution function	Assumptions
Forest land - Forest Plantation La Araucanía MP (ha/yr)	80	9.9%	Normal	
Forest land - Forest Plantation Los Ríos MP (ha/yr)	32	8.0%	Normal	
Forest land - Forest Plantation Los Lagos MP (ha/yr)	16	23.4%	Normal	
Forest fires area Maule RP (ha/yr)	583.4	15%	Normal	INGEI, 2020
Forest fires area Ñuble RP (ha/yr)	139.2	15%	Normal	
Forest fires area Biobio RP (ha/yr)	1,028.5	15%	Normal	
Forest fires area Araucanía RP (ha/yr)	2,058.1	15%	Normal	
Forest fires area Los Ríos RP (ha/yr)	150.4	15%	Normal	
Forest fires area Los Lagos RP (ha/yr)	781.9	15%	Normal	
Forest fires area Maule MP (ha/yr)	6,205	15%	Normal	
Forest fires area Ñuble MP (ha/yr)	232	15%	Normal	
Forest fires area Biobio MP (ha/yr)	1,387	15%	Normal	
Forest fires area Araucanía MP (ha/yr)	1,913	15%	Normal	
Forest fires area Los Ríos MP (ha/yr)	107	15%	Normal	
Forest fires area Los Lagos MP (ha/yr)	115	15%	Normal	
Carbon content of Non-Forest Lands				
AGB Áreas Urbanas e Industriales	2.00	95%	Normal	(INGEI, 2020)
AGB Terrenos Agrícolas	10.00	75%	Normal	(INGEI, 2020)
AGB Praderas y Matorrales Praderas	4.73	27.7%	Normal	(Gayoso, 2006)
AGB Praderas y Matorrales Matorral-Pradera	9.04	34.6%	Normal	
AGB Praderas y Matorrales Matorral Arborescente	21.78	22.4%	Normal	
Carbon content of Native Forest				
BGB Terrenos Agrícolas	2.00	53.2%	Normal	Uncertainty for BGB of Non-
BGB Praderas y Matorrales Praderas	8.13	53.2%	Normal	Forest lands is based on
BGB Praderas y Matorrales Matorral-Pradera	14.99	53.2%	Normal	propagation error estimate
BGB Praderas y Matorrales Matorral Arborescente	35.25	53.2%	Normal	following IPCC approach 1 of Matorrals-Arborescente AGB error (22.42%) and Root shoot ratio -R Factor error (48.27%) estimated by Goyoso et al. (2002), resulting in total uncertainty of 53.2%.
AGB Alerce Adulto (t dry biomass/ha)	339.109	18.85%	Normal	For the forest types with a
AGB Alerce Renoval (t dry biomass/ha)	203.590	18.85%	Normal	limited number of sampling
AGB Ciprés de las Guaitecas Adulto (t dry biomass/ha)	221.848	18.85%	Normal	plots, uncertainty propagation
AGB Araucaria Adulto (t dry biomass/ha)	β: 222.628; k: 1.886	PDF	Gama 2; P:0.998; n: 16	with Monte Carlo analysis
AGB Araucaria Renoval (t dry biomass/ha)	219.131	18.85%	Normal	uses the following
AGB Ciprés de la Cordillera Adulto (t dry biomass/ha)	97.116	18.85%	Normal	information: i. DBH

Parameter included in the model	Parameter values	Error sources quantified in the model	Probability distribution function	Assumptions
AGB Ciprés de la Cordillera Renoval (t dry biomass/ha)	124.019	18.85%	Normal	measurement error (0.2%),
AGB Lenga Adulto (t dry biomass/ha)	μ: 207.038; s: 84.017	PDF	Logistic; P:0.958; n:10	calculation based on
AGB Lenga Renoval (t dry biomass/ha)	$\alpha$ : 0.431; $\beta$ :0.439	PDF	Beta4; P:0.776; n:8	Continuous Forest Inventory
AGB Coihue de Magallanes Adulto (t dry biomass/ha)	129.148	18.85%	Normal	data of INFOR; ii. Volume
AGB Roble - Hualo Adulto (t dry biomass/ha)	β: 17.695; k: 5.884	PDF	Gamma (2); P:0.808; n: 17	estimation error (0.07%),
AGB Roble - Raulí - Coihue Adulto (t dry biomass/ha)	λ: 0.006	PDF	Exponential; P:0.850; n: 65;	calculation based on
AGB Roble - Raulí - Coihue Renoval (t dry biomass/ha)	λ: 0.006	PDF	Exponential; P:0.709; n: 71	Continuous Forest Inventory
AGB Coihue - Raulí - Tepa Adulto (t dry biomass/ha)	β: 1.162; γ:414.153	PDF	Weibull (2); P: 0.831; n: 57	data of INFOR, iii. Biomass
AGB Coihue - Raulí - Tepa Renoval (t dry biomass/ha)	β: 117.880; k: 1.720	PDF	Gamma (2); P:0.989; n: 12	Expansion Factor (BEF) error
AGB Esclerófilo Adulto (t dry biomass/ha)	$\beta$ : 0.721; $\gamma$ :12.840	PDF	Weibull (2); P: 0.858; n: 33	(18.0%), BEF comes from
AGB Siempreverde Adulto (t dry biomass/ha)	μ: 5.765; <i>σ</i> : 0.646	PDF	Log-normal; P: 0.194; n: 49	information collected in the
AGB Siempreverde Renoval (t dry biomass/ha)	β: 1.584; γ:139.543	PDF	Weibull (2); P: 0.673; n: 25	country from the study of Gayoso et al. (2002) and used
AGB Araucanía Mixed Forest Monitoring Period (t dry biomass/ha)	161.13	18.85%	Normal	in INGEI (2018). This value is
AGB Los Ríos Mixed Forest Monitoring Period (t dry biomass/ha)	165.98	18.85%	Normal	for native species and has a
AGB Los Lagos Mixed Forest Monitoring Period (t dry biomass/ha)	207.13	18.85%	Normal	national spatial level. Error
AGB Ñuble Mixed Forest Monitoring Period (t dry biomass/ha)	57.48	18.85%	Normal	calculation is based on
AGB Maule Mixed Forest Monitoring Period (t dry biomass/ha)	43.46	18.85%	Normal	statistical data from the
AGB Biobio Mixed Forest Monitoring Period (t dry biomass/ha)	131.77	18.85%	Normal	Biomass Inventory and Carbon
AGB Maule Mixed Forest Reference Period (t dry biomass/ha)	58.85	18.85%	Normal	Accountancy of the
AGB Biobio Mixed Forest Reference Period (t dry biomass/ha)	210.75	18.85%	Normal	Universidad Austral de Chile
AGB Araucanía Mixed Forest Reference Period (t dry biomass/ha)	246.71	18.85%	Normal	(UACh); and iv. Wood Density
AGB Los Ríos Mixed Forest Reference Period (t dry biomass/ha)	194.05	18.85%	Normal	(5.6%) calculated using basic
AGB Los Lagos Mixed Forest Reference Period (t dry biomass/ha)	221.64	18.85%	Normal	density data collected from
AGB Ñuble Mixed Forest Reference Period (t dry biomass/ha)	58.85	18.85%	Normal	native species growing in Chile. Finally, these uncertainties are combined following IPCC approach 1 (propagation of error), resulting in total uncertainty of 18.85%
BGB Araucanía Mixed Forest Monitoring Period (t dry biomass/ha)	46.23	44.2%	Normal	Uncertainty for Below Ground
BGB Los Ríos Mixed Forest Monitoring Period (t dry biomass/ha)	47.62	44.2%	Normal	Biomass BGB is based on
BGB Los Lagos Mixed Forest Monitoring Period (t dry biomass/ha)	59.42	44.2%	Normal	propagation error estimate
BGB Ñuble Mixed Forest Monitoring Period (t dry biomass/ha)	16.49	44.2%	Normal	following IPCC approach 1 of
BGB Maule Mixed Forest Monitoring Period (t dry biomass/ha)	16.89	44.2%	Normal	Above Ground Biomass-AGB
BGB Biobio Mixed Forest Monitoring Period (t dry biomass/ha)	60.46	44.2%	Normal	error (18.85%) and Root shoot
BGB Maule Mixed Forest Reference Period (t dry biomass/ha)	70.78	44.2%	Normal	ratio -R Factor error (40.0%)

Parameter included in the model	Parameter values	Error sources quantified in the model	Probability distribution function	Assumptions
BGB Biobio Mixed Forest Reference Period (t dry biomass/ha)	55.67	44.2%	Normal	estimated by Goyoso et al.
BGB Araucanía Mixed Forest Reference Period (t dry biomass/ha)	63.59	44.2%	Normal	(2002), resulting in total
BGB Los Ríos Mixed Forest Reference Period (t dry biomass/ha)	47.21	44.2%	Normal	uncertainty of 44.2%.
BGB Los Lagos Mixed Forest Reference Period (t dry biomass/ha)	12.47	44.2%	Normal	]
BGB Ñuble Mixed Forest Reference Period (t dry biomass/ha)	37.80	44.2%	Normal	]
Dead matter Araucanía Mixed Forest MP (t dry biomass/ha)	57.42	28.4%	Normal	Error estimated from
Dead matter Los Ríos Mixed Forest MP (t dry biomass/ha)	57.52	28.4%	Normal	permanent plots of the INFOR
Dead matter Los Lagos Mixed Forest MP (t dry biomass/ha)	62.39	28.4%	Normal	Continuous Forest Inventory
Dead matter Ñuble Mixed Forest MP (t dry biomass/ha)	27.19	28.4%	Normal	7
Dead matter Maule Mixed Forest MP (t dry biomass/ha)	19.90	28.4%	Normal	1
Dead matter Biobio Mixed Forest MP (t dry biomass/ha)	54.10	28.4%	Normal	7
Dead matter Maule Mixed Forest RP (t dry biomass/ha)	72.30	28.4%	Normal	7
Dead matter Biobio Mixed Forest RP (t dry biomass/ha)	52.91	28.4%	Normal	1
Dead matter Araucanía Mixed Forest RP (t dry biomass/ha)	61.16	28.4%	Normal	1
Dead matter Los Ríos Mixed Forest RP (t dry biomass/ha)	47.61	28.4%	Normal	7
Dead matter Los Lagos Mixed Forest RP (t dry biomass/ha)	18.92	28.4%	Normal	1
Dead matter Ñuble Mixed Forest RP (t dry biomass/ha)	45.49	28.4%	Normal	1
Annual Periodic Increase of Native Forest	·			•
IPA Araucanía Mixed Forest Monitoring Period (t dry biomass/ha)	4.13	28.7%	Normal	Average of IPA error for all
IPA Los Ríos Mixed Forest Monitoring Period (t dry biomass/ha)	4.18	28.7%	Normal	forest types given lack of data.
IPA Los Lagos Mixed Forest Monitoring Period (t dry biomass/ha)	4.81	28.7%	Normal	
IPA Ñuble Mixed Forest Monitoring Period (t dry biomass/ha)	2.82	28.7%	Normal	
IPA Maule Mixed Forest Monitoring Period (t dry biomass/ha)	2.02	28.7%	Normal	1
IPA Biobio Mixed Forest Monitoring Period (t dry biomass/ha)	3.55	28.7%	Normal	
IPA Maule Mixed Forest Reference Period (t dry biomass/ha)	4.20	28.7%	Normal	1
IPA Biobio Mixed Forest Reference Period (t dry biomass/ha)	4.14	28.7%	Normal	1
IPA Araucanía Mixed Forest Reference Period (t dry biomass/ha)	4.06	28.7%	Normal	
IPA Los Ríos Mixed Forest Reference Period (t dry biomass/ha)	2.21	28.7%	Normal	1
IPA Los Lagos Mixed Forest Reference Period (t dry biomass/ha)	3.70	28.7%	Normal	1
IPA Ñuble Mixed Forest Reference Period (t dry biomass/ha)	4.03	28.7%	Normal	1
IPA Alerce Adulto (m3/ha/yr)	0.5	58.47%	Normal	The higher uncertainty of the
IPA Ciprés de las Guaitecas Adulto (m3/ha/yr)	3.9	58.47%	Normal	errors estimated for IPA is assumed due to a lack of data.
IPA Araucaria Adulto (m3/ha/yr)	μ: 4.882; σ: 2.516	PDF	Normal; P:0.923; n: 16	
IPA Ciprés de la Cordillera Adulto (m3/ha/yr)	5.0	15.83%	Normal	Error estimated from
IPA Ciprés de la Cordillera Renoval (m3/ha/yr)	2.7	9.97%	Normal	permanent plots of the INFOR Continuous Forest Inventory

Parameter included in the model	Parameter values	Error sources quantified in the model	Probability distribution function	Assumptions
IPA Lenga Adulto (m3/ha/yr)	k: 5; γ:0.921	PDF	Erlang; P:0.986; n:10	
IPA Lenga Renoval (m3/ha/yr)	μ: 2.995; <i>β</i> :2.054	PDF	Fisher-Tippett (2); P:0.907; n:8	
IPA Coihue de Magallanes Adulto (m3/ha/yr)	2.6	13.42%	Normal	Error estimated from
IPA Coihue de Magallanes Renoval (m3/ha/yr)	3.7	7.68%	Normal	permanent plots of the INFOR Continuous Forest Inventory
IPA Roble - Hualo Adulto (m3/ha/yr)	μ: 1.534; σ: 0.507	PDF	Log Normal; P:0.873; n: 17	
IPA Roble - Hualo Renoval (m3/ha/yr)	3.5	54.47%	Normal	The higher uncertainty of the errors estimated for IPA is assumed due to a lack of data.
IPA Roble - Raulí - Coihue Adulto (m3/ha/yr)	μ: 1.335; σ: 1.106	PDF	Log Normal; P:0.257; n: 65;	
IPA Roble - Raulí - Coihue Renoval (m3/ha/yr)	β: 1.777; γ:4.664	PDF	Weibull (2); P:0.760; n: 71	
IPA Coihue - Raulí - Tepa Adulto (m3/ha/yr)	β: 1.403; γ:6.264	PDF	Weibull (2); P: 0.789; n: 57	
IPA Coihue - Raulí - Tepa Renoval (m3/ha/yr)	μ: 4.364; s: 1.558	PDF	Logistic; P:0.825; n: 12	
IPA Esclerófilo Adulto (m3/ha/yr)	β: 0.667; γ:0/875	PDF	Weibull (2); P: 0.512; n: 33	
IPA Esclerófilo Renoval (m3/ha/yr)	1.6	21.31%	Normal	Error estimated from permanent plots of the INFOR Continuous Forest Inventory
IPA Siempreverde Adulto (m3/ha/yr)	$\alpha$ : 13.411; $\beta$ :29.589	PDF	Beta4; P: 0.940; n: 49	
IPA Siempreverde Renoval (m3/ha/yr)	μ: 4.664; s:0/893	PDF	Logistic; P: 0.994; n: 25	
Degradation and Enhancement in permanent forest				
Carbon stock change in permanent forest	Values depending on density diagram change and forest type	57%	Normal	Error estimation based on the standard error of the k-nn algorithm volume estimation.
Carbon content of forest lands (forest fires)				
AGB Maule (t dry biomass/ha/yr)	80.35	18.85%	Normal	This uncertainty is estimated
AGB Biobio (t dry biomass/ha/yr)	149.88	18.85%	Normal	following IPCC approach 1
AGB Araucanía (t dry biomass/ha/yr)	252.33	18.85%	Normal	(propagation of error),
AGB Los Ríos (t dry biomass/ha/yr)	310.35	18.85%	Normal	resulting in total uncertainty
AGB Los Lagos (t dry biomass/ha/yr)	230.41	18.85%	Normal	of 18.85%.
AGB Ñuble (t dry biomass/ha/yr)	149.88	18.85%	Normal	1
BGB Maule (t dry biomass/ha/yr)	23.05	44.2%	Normal	Uncertainty for Below Ground
BGB Biobio (t dry biomass/ha/yr)	43.00	44.2%	Normal	Biomass BGB is based on
BGB Araucanía (t dry biomass/ha/yr)	72.39	44.2%	Normal	propagation error estimate
BGB Los Ríos (t dry biomass/ha/yr)	89.04	44.2%	Normal	following IPCC approach 1 of
BGB Los Lagos (t dry biomass/ha/yr)	66.10	44.2%	Normal	Above Ground Biomass-AGB
BGB Ñuble (t dry biomass/ha/yr)	43.00	44.2%	Normal	error (18.85%) and Root shoot ratio -R Factor error (40.0%) estimated by Goyoso et al.

Parameter included in the model	Parameter values	Error sources quantified in the model	Probability distribution function	Assumptions
				(2002), resulting in total uncertainty of 44.2%.
Dead matter Maule (t dry biomass/ha)	52.60	28.4%	Normal	Error estimated from
Dead matter Biobio (t dry biomass/ha)	122.10	28.4%	Normal	permanent plots of the INFOR
Dead matter Araucanía (t dry biomass/ha)	165.50	28.4%	Normal	Continuous Forest Inventory
Dead matter Los Ríos (t dry biomass/ha)	146.90	28.4%	Normal	
Dead matter Los Lagos (t dry biomass/ha)	157.00	28.4%	Normal	
Dead matter Ñuble (t dry biomass/ha)	122.10	28.4%	Normal	
Other Factors				
Combustion factor	0.45	36.0%	Normal	IPCC, 2006
Emission Factor CH4	4.7	29.0%	Normal	
Emission Factor N2O	0.26	43.8%	Normal	

#### Quantification of the uncertainty of the estimate of Emission Reductions

		Reporting Period	Crediting Period
		Total Emission Reductions*	Total Emission Reductions*
Α	Median	3,746,069	-534,641
В	Upper bound 90% CI (Percentile 0.95)	17,458,585	28,102,910
С	Lower bound 90% CI (Percentile 0.05)	-9,942,734	-29,582,065
D	Half Width Confidence Interval at 90% (B – C )/ 2	13,700,659	28,842,487
E	Relative margin (D / A)	365.7%	254.38%
F	Uncertainty discount	15%	15%

To combine the global uncertainty of reporting periods 1 and 2, the propagation method indicated by IPCC 2006 was applied, through the application of equation 3.2 "Combining uncertatinties – Approach 1 – Addition and subtraction". As a result, a combined uncertainty of 2,549% is achieved, which is based on the result of positive and negative reduced emissions in the two reporting periods that are being combined, which does not offer further interpretation.

#### 5.3 Sensitivity analysis and identification of areas of improvement of MRV system

The following table show the results for the sensitivity analysis of Emission Reductions (ERs) uncertainty. ERs estimate in forest remaining forest (conserved and non-conserved) contributes the 67.2% of total ERs uncertainty. The main contribution is coming from ERs' uncertainty in the non-conserved permanent forest (42.5%).

The sources of error for estimating forest degradation and carbon enhancement on permanent forest lands are:

- i. Uncertainty associated with the forest density charts used to determine the direction of carbon flux (neutral, loss or gain) for each pixel (32.8%)
- ii. Uncertainty associated with integrating the multi-pixel mosaic satellite data with the dasometric variables. This uncertainty has been estimated by calculating the Standard Error of Estimation of the volume function k-nn (57%).

Table 3 shows the results of sensitivity analysis for Emission Reductions uncertainty in non-conserved permanent forest. Both activity data and emission factors contributed equally to the uncertainty (50/50). The same uncertainty for AD and EF was used for all regions, therefore the difference in the uncertainty contribution between regions responds to the magnitude of ERs.

Further analysis of the Methodology used to estimate emissions and removals in permanent forest are required to determine the improvement actions on the MRV system to reduce Emission Reduction uncertainty.

REDD Activity	Component	Uncertainty Contribution		
Carbon	Removals in forest remaining as forest	19.7%		
enhancement	Removals in lands converted to forest	0.7%		
	20.4%			
Componention	Removals in forest remaining as forest	4.6%		
Conservation	Emissions in forest remaining as forest	73.1%		
	77.6%			
	Deforestation Total			
	Emissions in forest remaining as forest	20.1%		
Degradation	Emissions from forests converted to plantations.	0.4%		
	Forest fires	2.2%		
	Degradation Total	22.7%		
	Grand Total	120.7%		

**Table 3** Results for the sensitivity analysis of ERs' global uncertainty.

#### 6 TRANSFER OF TITLE TO ERS

#### 6.1 Ability to transfer title

The 2016 ERPD document defined that the Chilean ER Program will define a Benefit Sharing Plan, which is based on the basic principle that the distribution of benefits associated to result – based payment is conditional on a previous transfer of carbon rights (Annex 2).

The country must demonstrate the ability to transfer the RE titles through the following means:

- a) Possessing the legal capacity to do so, in which case the respective legal framework must be cited.
- b) Agreements and/or sub-agreements with potential holders of land and resource tenure rights.
- c) Benefit-sharing agreements under the Benefit Distribution Plan."

From a regulatory point of view, Chile does not have a specific framework to determine the transfer or the ownership of ERs. However, of transferring ERs is based on different legal norms and other mechanisms that give effect to criterion 36 of the FPCF Carbon Fund Methodological Framework. In that case, the ability of the ER Program of Chile to transfer ER titles to the Carbon Fund is demonstrated through the following three mechanisms:

#### 1) Regulatory Framework

The government of Chile ratified the CMNUCC and the Paris Agreement, converting its Nationally Determined Contribution (NDC) commitments into obligations and on the other hand, the appointment of CONAF as REDD+ focal point was made official. Both decisions lead to the validation of a special title for transferring RE to the World Bank within the FCPF framework, which is aligned with the system the UNFCCC and the Paris Agreement have developed to obtain emission reduction-based payments for REDD+.

The foregoing is consistent with the internal legal system, since according to CONAF Statutes Article 3, this organization has the exclusive purpose of "Contributing to the conservation, improvement, management and use of the protected forest resources and areas of wildlife of the country", also including among its functions the possibility of creating agreements and contracts with different organizations to achieve this purpose.

During this second reporting period 2020-2021, CONAF maintains its regular forest management and inspection activities, based on the implementation of the Native Forest Law 20,283 and the execution of management plans, the prevention of forest fires and the control of illegal logging and irregular extraction. During this period, the program developed by the Government Sowing for Chile was launched, whose main objective is to implement measures that contribute to economic reactivation and job creation, including an area of action in forestry activities. During 2020, the pilot phase of the ENCCRV's payment for results program also begins.

For the reporting period 2020-2021, the results come from the emissions reduction from deforestation activity, which is directly related to CONAF's regular actions on forest lands. The reduction of emissions from deforestation corresponds to a result of the government's direct management of forest resources through the application and enforcement of national legislation that prevents irregular and unsustainable extraction of native forests.

2) Additional agreements with possible title holders on use and land ownership rights

The previously mentioned legal study determined that ownership of lands where GHG capture capacity enhancements are produced is not relevant for determining a possible ER title transfer, as there is no ownership on said reduction but rather an obligation being complied with. In fact, individuals can own a specific land, but not the emission reductions produced by said land (or vegetation resources inside it) because this reduction is a national asset for public use.

One mechanism is the signing of Additional Agreements between land/resource ownership title holders and CONAF, which make express provisions for prohibiting those who adhere to such agreement of signing other similar instruments with public or private entities. And explicitly authorize CONAF to transfer ERs generated in such lands because of projects implemented there. For MR2, no additional agreements have been signed in the ER program area.

However, CONAF is empowered to formalize such agreements, which is mentioned in the previously mentioned Article 3 of its statutes, more specifically in its literal which states: "Implement all kinds of actions and enter into all kinds of conventions or contracts aimed at the obtention or related to such purposes, with individuals or legal entities, national or foreign, under public or private law, even with its own partners". In line with this, there is no doubt the emission reduction objective is aligned with the objectives of CONAF, which is therefore empowered to enter into agreements and contracts with individuals for such purposes, in case it is necessary.

For the reporting period 2020-2021, the results come from the emissions reduction from deforestation activity, which is directly related to CONAF's regular actions on forest lands. The reduction of emissions from deforestation corresponds to a result of the government's direct management of forest resources through the application and enforcement of national legislation that prevents irregular and unsustainable extraction of native forests.

In relation with the possible risk of claims by third-party forest landowners, a low risk must be maintained since no relevant interest has been detected in the generation of projects that generate carbon credits or reduced emissions, which is evidenced in the review of international carbon market registries.

To date, there are no projects within the accounting area that generated tradable emissions that must be discounted from the agreement with the Carbon Fund for this period (see 6.4). Based on this, the risk of claims within the program area is kept very low.

#### 3) Benefit – Sharing Plan (BSP)

Besides the regulatory framework and agreements, the third FCPF mechanism for justifying ER transfers is referring to the BSP. This is even more important than the two previous mechanisms, as it recognized that public policy outcomes are not necessarily prone to private appropriation.

CONAF has developed a BSP for the ENCCRV and ER Program under transparency, participation, and fairness standards according to criteria 29, 30, 31, 32 and 33 of the FCPF Methodological Framework, a process described in Annex 2 of this report.

This BSP has a harmonious relationship with the previously mentioned regulatory framework and additional agreements; it also ensures and promotes an adequate benefit sharing which meets the principles of environmental law and UNFCCC agreements, particularly in terms of poverty eradication and respect for the human rights of vulnerable groups, article 3 and the preamble of the Paris Agreement.

To ensure this outcome and reduce possible conflicts, CONAF designed the BSP through a series of participative processes with gender and interculturality approaches, in accordance with the vision of communities within the territory. The foregoing to assure a fair, equitable and transparent distribution of resources considering the distribution of non-monetary benefits, which will be mainly focused on small and medium forest owners. In that same line, any measures taken such as collaboration agreements with large private conservation areas, will be important. Such agreements must include, on one hand, the transfer of rights to transact past and future ERs, committing result – based payment benefits, and on the other, collaboration agreements so that these private actors continue the emission reducing activities. At the present, no one of these agreements have been signed.

In conclusion, the BSP meets the requirements of the methodological framework and serves as a basis to validate that CONAF can transfer ERs according to the requirements.

Therefore, considering the three described mechanisms, the legal analysis determined that according to the FCPF Carbon Fund Methodological Framework, the document "Note on the Ability of Program Entity to Transfer Title to Emission Reductions (ERs) Forest Carbon Partnership Facility, Carbon Fund" and the existing legal framework, CONAF is empowered to transfer ERs, as stated in Official Letter No. 74/2019, March 1st, 2019, submitted to the FCPF by CONAF. However, for this reporting period, the Program Entity has not been aware of any title contest in which interested parties in the RE Program area have challenged the capacity of the Program Entity.

Going forward to MR3, the BSP has not executed yet, but to date an operational process cycle has been generated for its execution through the opening of a public tender of free access for beneficiaries interested in participating in the actions of the ENCCRV. Two complete operational cycles have been executed in 2022 and 2023, in which benefits have been awarded to the owners represented in direct property actions of sustainable forest management and forest management, preventive forestry, forest restoration and afforestation. For these cycles, around 700 collaboration agreements have been signed, to secure the implementation of the measures for sustainable forest management and forest management, preventive forestry, forest restoration and afforestation.

The Agreements between land/resource ownership title holders and CONAF, express provisions for prohibiting the signing of similar instruments with public or private entities; and explicitly authorize CONAF to transfer ERs generated in such lands because of projects implemented there.

#### 6.2 Implementation and operation of Program and Projects Data Management System

The design of the data management system for the ER Program and its respective projects was presented in the 2016 ERPD document, according to the requirements of the FCPF Methodological Framework. This is a fundamental part of the Monitoring Plan and suggests as objectives: provide transparent data and information, which are consistent over time and suitable for measuring, reporting and allowing the verification of emissions by the considered sources, absorptions and sinks.

Then, the document "Additional Information for the ER Program Update, per recommendations issued in the Chair's Summary in the 15th Meeting of the Carbon Fund" from 2018 updates the Monitoring Plan and describes the progress made in its implementation, including time planning for monitoring milestone implementation, systems and methodologies to be used and institutional arrangements involved. The objectives of the NFMS Monitoring and Measurement System (SMM, acronym in Spanish) were also updated, defining the following:

- Optimize generation processes and ensure the implementation of monitoring events for primary elements (Land use and Land use change maps) for the estimation of emissions and absorptions linked to REDD+.
- Generate interoperability protocols for the integration of information at various spatial scales, time scales, differentiated file formats and purposes, including information of Co-benefits and Safeguard Follow-up.
- Automate report generation processes and increase report transparency.
- Have a visualization and consultation platform, in order to facilitate the dissemination of results, that responds both to the verification criteria in international instances as well as to institutional necessities and citizen demands for information.

The Data Management System, the development of the ENCCRV information platform was updated including semiautomated information integration tools. Also contain a geospatial content manager with a web mapper viewer and a forest carbon calculator for the executed land/property projects in regions of Chile. From here, two key tools are developed to monitor ENCCRV projects, the property monitoring system and the safeguards information system.

This computer applications were based on open programming languages to ensure and guarantee the durability of these components, with an interoperability that applies to other systems developed under CONAF and associated with the ENCCRV at the institutional level, such as the Uncertainty Evaluation System (Sistema de Evaluación de

Incertidumbre, in Spanish), the Land Prioritization System (Sistema de Priorización de Territorios, in Spanish) and the Co-Benefits System (Sistema de Co-Beneficios, in Spanish). These systems are integrated into a unique digital platform, available in plataforma.enccrv.cl.

The Chilean ER Program Monitoring Plan is part of the <u>ENCCRV Measuring and Monitoring System (SMM, acronym in Spanish)</u>, which began its implementation and operation during 2019, developing the Information Platform based on alphanumeric and spatial databases.

The development of this platform considered the following specific activities:

- ➤ Protocol elaboration for the standardization of spatial information and alphanumeric information generated in the ENCCRV framework.
- > Standardization of the existing information and quality control of the information under development.
- > Development of database architecture and model.
- > Development of report generation tools.
- > Development of web mapping viewer and geospatial content manager.
- > Definition of the official registration system of the ER Program.
- > Maintenance, adjustments, improvements, and new functionalities of the platform.
- Performance evaluation (tests) during the trial period.
- > Technology transfer and training of pertinent/applicable CONAF personnel to carry out an internal execution of the platform.

This robust platform has made possible an adequate storage and visualization of the generated information. The platform has been able to improve reconstruction tasks and data integration, elaborating reports, indicators and perform calculations at different scales for multiple needs. This is in accordance with and responds to compliance with international requirements and responses, and also to specific requests from institutional executives instances or public consultation.

The ENCCRV Platform constitutes a centralized system of REDD+ projects executed within the framework of the ENCCRV, which is fed by the territorial implementation teams of REDD+ projects of CONAF. The system currently supports REDD+ projects executed by CONAF and does not yet consider the use of private projects, because CONAF does not have the power to mandate the use of the system by other developers.

As long as this data management system remains limited to CONAF projects, to registry REDD project executed by another entities a procedure is carried out that considers a review of the international registration systems for reduced emissions transactions or carbon credits, with the aim of keeping this information controlled and so that it can be excluded, in the event that a payment is generated. This information is made available to the general public through the ENCCRV site, in the Redd+ information tracking system, accessible in 2.4 of https://www.enccrv.cl/medicion-y-monitoreo. The details of this information are presented in 6.4.

## 6.3 Implementation and operation of ER transaction registry

As previously mentioned (6.2), the ENCCRV SMM defined the basic development of a Reduced Emission Transaction Registration System as one of its objectives. This tool responds to the FCPF Methodological Framework for those countries that aim to reach a result based payment agreement with the Carbon Fund. It also responds to Articles 5 and 6 of the Paris Agreement on REDD+ through market-based approaches and other agreements, which makes it possible for different countries to exchange reduced emissions caused by the implementation of REDD+, in order to achieve the goals established in their NDCs and avoid double counting.

The ERPD considered developing a ENCCRV Reduced Emission Transaction Registration System, which should be a national and centralized system which guaranteed that the reduced emissions generated within the ENCCRV framework could be adequately emitted, serialized, transferred, removed, or canceled. In addition, it should also offer clear connections to different sources of information contained in the platforms used within the SMM

framework. Its main function would be to avoid the duplicate transaction of reduced emissions, and act as the main tool for the control of REDD+ emission reduction transaction reporting and accounting in Chile.

The design of this registration system began in 2018, is already created and described in more detail in the <u>ENCCRV</u> <u>SMM</u>. It was developed under a system with IHS Markit adapted to the REDD+ activities quantified by CONAF.

Nevertheless, the World Bank designed the Carbon Assets Tracking System (CATS), a central platform to support operations under the FCPF CF and BioCF ISFL which is free and has flexible enough operating rules to be easily adapted to other World Bank platforms and future scenarios. Given this, Chile issued a formal letter to define the CATS platform as the official reduced emission transaction registration system of the ER Program and ENCCRV.

The use of CATS to register ER transactions generated in the accounting area of the PRE, has not yet begun its practical operation, therefore the country has not implemented a transaction registration system. However, in order to avoid double counting, Chile executes a verification procedure for International ER Registrations to identify REDD+ projects that are executed in the country. International registrations are reviewed every two months, and the information that is collected gives rise to a data sheet where the information of the projects is entered, including the owner, the volume of transfer of ER, the year of generation, along with other background. This information is publicly available on the ENCCRV website, SMM section <a href="https://www.enccrv.cl/medicion-y-monitoreo">https://www.enccrv.cl/medicion-y-monitoreo</a>.

In addition to the above, it must be taken into consideration that recently in 2023 <sup>25</sup>, the compensation regulation was approved and published in Chile, which regulates the operation of the Emissions Compensation System, which will allow offsetting emissions affected by the tax. This system considers the development and implementation of all the necessary infrastructure to offset local pollutants and other GHGs, including nature-based solutions projects, so greater interest is expected in the development of projects from private developers.

#### 6.4 ERs transferred to other entities or other schemes

The ENCCRV ER Program corresponds to the first subnational program of result based payments associated with REDD+ in Chile. The reductions associated to the Emission Reduction Payment Agreement signed by Chile are insured in accordance with the estimates made in the FREL. This has encouraged Chile to develop a financing package for result – based payments mainly associated with the Green Climate Fund, which despite not considering transfers, would not affect compliance with the ER Program. Thus, work has been done to improve the registration and monitoring systems to avoid double counting or payments that can generate legal or other disputes in the implementation territory, so that this and other future initiatives can be implemented correctly.

Currently, there are six REDD+ projects linked to the voluntary market implemented by VCS in Chile<sup>26</sup>. According to its own records, no credits due to emission reductions have been claimed during the 2020-2021 reporting period which significantly reduces potential inconveniences. These are:

- <u>Valdivian Coastal Reserve Project</u>, Los Ríos region. Project led by The Nature Conservancy (TNC), corresponding
  to a project in the planned degradation and deforestation REDD subcategory, generating around 58,154
  estimated annual emissions reductions. The registry of this project has not activities from 2016 and has expired
  in November 2023.
- <u>California Valley degraded land reforestation project</u>, Los Lagos region. The initiative is led by the Agrícola y
  Forestal SNP Limitada Company, being an ARR project estimated to generate 1,193 estimated annual emissions
  reductions. The registry of this project has not activities from 2017.
- <u>Caelus project:</u> under validation process, with 111 estimated annual emission reductions. The project is based
  on GHG emission reductions and removals generated by improving forest management practices to increase
  the carbon stock on land by extending the rotation age of a forest before harvesting. The emissions reductions
  of this project comes from exotic species forest, and are excluded from the REDD+ accountability.

<sup>&</sup>lt;sup>25</sup> Available in <a href="https://www.bcn.cl/leychile/navegar/imprimir?idNorma=1196414&idVersion=2023-09-29">https://www.bcn.cl/leychile/navegar/imprimir?idNorma=1196414&idVersion=2023-09-29</a>

<sup>&</sup>lt;sup>26</sup> See section 2.4 in: <a href="https://www.enccrv.cl/medicion-y-monitoreo">https://www.enccrv.cl/medicion-y-monitoreo</a>

- <u>Bosques Cautín S.A.</u> proyect: under validation process, with 124,951 estimated annual emissions reductions.
  The project is a forest developer operating in Chile, that has traditionally operate a silvicultural model for commercial timber, and is expanding its business model to dedicate different areas of forest plantations to carbon sinks. The emissions reductions of this project come from exotic species forest, and are excluded from the REDD+ accountability.
- Proventus project: under validation process, with 2,301 estimated annual emissions reductions. The project is based on changing the use of low productivity land to sustainable forest production systems, which will increase the forest cover and promote remnant natural forest improvement generating a landscape of biological corridors that bring about financial, social and environmental services. The emissions reductions of this project comes from exotic species forest, and are excluded from the REDD+ accountability.
- Reforestation in degradation land, in Biobío region: project in their first steps of development. With 16,864 estimated annual emissions reductions. Is a reforestation project with local land owners and considers advanced propagation technology, mycorrhizal inoculation, to help restore and convert degraded grassland into productive forests in several regions of Chile. The registry of this project has not activities from 2018 and considers exotic species plantation. They are therefore excluded from monitoring emissions reductions.

In addition, they do not have a record of information of geographical boundaries with public reach. Based on the above, the areas of these projects could not be excluded from the PRE analysis.

CONAF has not defined procedures and agreements to sell or assign ERs of the ER Program area to other entities under a different GHG program or standard. Indeed, these projects could trade ER for the period 2020-2021. In order to avoid double counting, CONAF considers the exclusion of the areas reported in as participants of a voluntary carbon market standard, thus avoiding considering ERs from areas committed to other buyers. In particular, for this period it was not possible to collect the geographical areas, however, transactions with other standards were not recorded either. For future reports, it is expected to have the information to exclude project areas and discount ER in case they are registered.

#### 7 REVERSALS

Regarding the strategy that the ER Program has proposed to prevent and minimize the potential for reversals, the ERPD document proposed several measures. Given that the program has not yet been implemented, many of these actions do not present concrete progress, but other measures associated with the permanent activity of CONAF do have progress for the period of this report, which are summarized below.

In relation to the risk associated with the lack of broad and sustained support from key stakeholders, progress has been made in analyzing the risk of land conflicts before designing and executing ENCCRV projects in the territories, establishing protocols and procedures for this within the framework of environmental and social management (MGAS). In addition, the ENCCRV has continued to be developed with expanded participatory processes, ensuring that their opinions and needs are included in the design of different key components of the ER Program, such as the BSP.

Regarding the risk associated with the lack of institutional capacity and/or ineffective vertical/cross-sector coordination, an important inter and intra-institutional coordination has been maintained, carrying out multiple induction, training and dissemination activities on political and technical issues of the REDD + approach and on the ENCCRV.

Regarding the risk associated with the lack of long-term effectiveness in confronting underlying factors, progress has been made in improvements to the current forest policy and regulations, including improvements to the Native Forest Law, and the design of a new forest law that promote the recovery of areas burned by forest fires and promote reforestation with new generation plantations that take into account the country's climate scenarios and goals. Progress has also been made in governance, strengthening the issue of Climate Change at the institutional level through specific programs (wood energy, forestry extension, community forestry, others) and the strengthening of capacities in CONAF's technical structures.

Finally, the advances associated with reducing the risk of natural disturbances and disasters have focused on strengthening the efforts to prevent and combat forest fires in CONAF, including different institutional programs for education and preparation of communities for these events, as well as of improvements in infrastructures, equipment, capacities and technologies for the prediction and combat of fire. Important progress has also been made in the monitoring and evaluation of fires, relevant inputs for restorative processes in affected areas.

Regarding the reversal management mechanism, Chile proposed using the Carbon Fund Buffer to store the credits associated with the risk of uncertainty and reversals. Specifically for reversals, it was proposed to use the reversal risk assessment tool that requires a specific amount to put in the buffer for each risk factor. These factors and an update of them are presented in more detail in section 7.3.

# 7.1 Occurrence of major events or changes in ER Program circumstances that might have led to the Reversals during the Reporting Period compared to the previous Reporting Period(s)

During the 2020-2021 monitoring period, was evidenced that an anomalous event that occurred in the PRE accounting area impacted in the performance results of this report. The event was the Megadrought and through an investigation done in 2022, an effect in the Mediterranean and temperate forests of Chile was confirmed, presenting a browning trend in these forest areas and resulting in a diminished photosynthetic capacity of this area.

The megadrought and the warming trends of summer temperatures are two current climatological features that are not directly-antropogenic caused, but it requires further analysis to prove if these phenomena are influencing/impacting at least 25% of the accounting area of the program.

In this regard, the country developed a study on the Browning effect in the Mediterranean and temperate forests of Chile to determine and quantify the affected forest ratio and the degradation-derived emissions ratio caused by the megadrought. The mega-drought was reported to the Trustee in 2023, in a several discussions meetings.

#### Forest Fires

Reversal risks identified in the 2016 ERPD have not experienced significant changes. Nevertheless, due to the magnitude and dynamics of the event known as Mega Forest Fire which impacted Chile in the summer of 2017, the potential of forests to acting as sinks is estimated to have been affected. Around 500,000 hectares were burnt during this event, of which an important surface corresponded to pastures, scrubs, and forest plantations, excluded by both the ER Program and the FREL/FRL. The impact on the AC Native Forest was 38,000 hectares, being the Maule region the most affected with 28,000 ha, then 10,000 ha in the Biobio region and finally 570 ha in the Araucanía region. Of the 81 million tons of gross CO<sub>2</sub> equivalent emissions estimated for the entire event, 7.45 million tons CO<sub>2</sub> were associated with the native forest of the CA. This information, along with other details associated to the analysis of the aforementioned event, can be found in the document "Additional information for the update of the Emission Reduction Program of Chile, as per recommendations by the Chair's Summary in the 15th Meeting of the Carbon Fund" from 2018 (here).

Although direct emissions generated by these forest fires are not considered in the period of this report (2018-2019), CONAF has identified that this mega event increased emissions from Degradation in this period, given the losses of sink capabilities in the affected forests.

Fires in Chile are caused by anthropic actions and correspond to one of the main drivers of ecosystem degradation in the world. As such, it was identified as one of the drivers of forest degradation in the ERPD. Fire seasons in Chile are frequent events that occur during the summer season; also, high temperature, low humidity and drought conditions can turn these frequent events into exceptional, barely controllable events.

In order to check the sensitivity of the degradation methodology for the detection of degraded areas affected by forest fires in the reporting period (2018 – 2019), CONAF developed a preliminary study about degradation data, using forest fire occurrence spatialized coverages. A simple experiment was carried out, where the data of forest carbon losses due to forest fires during the season was compared against estimated values in areas with no fires during that year.

This analysis was conducted for the Maule (7), Nuble (16), Biobío (8), La Araucanía (9), and Los Lagos (10) regions. The next graph uses a Boxplot to display carbon values means and distributions for these three treatments and by administrative region. The table after that shows the distribution of total CO2 values by region and treatment.

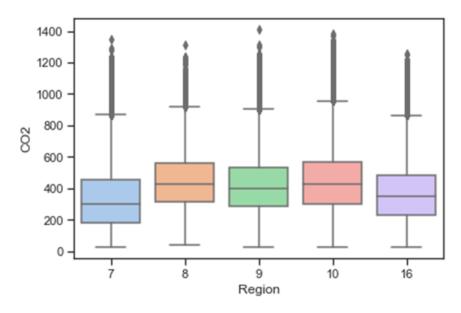


Figure 9 CO2 captures during 2019, disaggregated at the regional level.

Region	Tto	N	mean	std	min	25%	50%	75%	max
7	1	2,202	309.8	203.5	46.0	153.0	234.5	434.0	1042.0
	2	84,345	351.9	192.7	29.0	198.0	319.0	474.0	1216.0
	3	246,423	333.1	194.1	26.0	175.0	292.0	450.0	1346.0
8	1	24	367.5	188.2	95.0	224.3	327.0	535.0	714.0
	2	5,464	455.6	176.8	64.0	328.0	431.0	567.0	1215.0
	3	31,580	446.1	184.3	37.0	314.0	423.5	556.0	1311.0
9	1	1,845	302.1	184.6	57.0	170.0	247.0	391.0	1091.0
	2	63,180	407.8	184.0	37.0	269.0	383.0	518.0	1310.0
	3	255,322	423.4	182.7	23.0	288.0	402.0	534.0	1413.0
10	1	196	255.4	104.6	72.0	213.5	242.0	270.8	892.0
	2	18,365	433.2	184.2	41.0	288.0	408.0	543.0	1342.0
	3	95,808	452.9	189.9	25.0	306.0	432.0	569.0	1382.0
16	1	15	267.1	175.2	62.0	157.0	247.0	329.5	653.0
	2	4,340	362.5	191.5	31.0	220.0	337.0	477.0	1145.0
	3	66,911	372.6	187.0	24.0	232.0	347.0	486.0	1258.0

Table 4 Distribution of CO2 values by region and treatment in 2019.

The differences between burned areas and those without fires were analyzed by isolating data at the regional level and allocating a similar amount of data for each treatment. This was carried out by randomly selecting the data from treatments 2 (areas located 10 km away from the fire) and 3 (areas located 30 km away from the fire) as these areas are larger than their burned counterparts (each pixel corresponds to 1 hectare, therefore, region 7 of treatment 1 has 2,202 ha and treatment 2 84,345 ha2). These sample sizes of the various treatments were used to identify the statistical differences that may exist between areas 1, 2 and 3.

The collected data considers large sampling sizes except for the Nuble and Biobío regions, which were joined to correct the effect of low amounts of data for burned areas in these regions compared to other categories. Despite

these sampling sizes, the data do not meet the normality assumptions, and normality is not achieved by looking for a transformation that allows to meet such assumptions either. Because of this, non – parametric variance analyses were conducted using the Kruskal Wallis method and subsequent comparisons in order to know the differences between groups, applying the Holm-Bonferroni method and the Bonferroni sequential method, less conservative than the original Bonferroni test.

Regarding the general findings from this exercise, it was found that there are significant differences between estimations from burned areas in the various ERP regions for 2018-2019, in regard to those areas located at various distances away from the fires. Therefore, there are differences in the degradation detecting capability of the methodology applied for estimating native forest degradation as a REDD+ activity, it being sensitive to the clear impacts on forest areas after a forest fire.

While fire seasons in Chile are frequent events that occur during the summer season, fire events in January and February 2017 were extreme under high temperatures, low humidity and drought conditions that caused an exceptional event known as a firestorm.

The firestorm affected 518,000 hectares, out of which 93% corresponded to vegetation formations with the Maule region being the most affected, having 54% of its total surface burned, followed by the Biobío region with 19.2%. A total of 89,347 native forest hectares were affected among the native forest vegetation formations, equivalent to 17.24% of the total burned area. The most affected forest type is Sclerophyll, with 72,064.1 ha.

A simple exercise where the surface affected by the firestorm was intersected with pixels from the degradation map, being able to isolate burned pixels, was conducted in order to assess the areas affected by this firestorm.

Among the main findings, areas under degradation in the 2018 – 2019 period affected by the 2017 Firestorm are not too representative in relation to the total degraded surface of the period, only representing 1.3%. This is because areas burned in 2017 were mostly forests of planted exotic species, which are included in the degradation analysis that only considers native forests, which were not as impacted. Also, one of the most impacted regions is that of O'Higgins, which is not in the accounting area. This translated into emissions estimated from these areas being minimal in relation to the total emissions of the period, therefore, the effects of the firestorm phenomenon do not have a major influence in the degradation results for the monitoring period. In addition to this, there is on – site evidence of the post fire restoration process as of 2020 (3 years later) which makes it important to evaluate the state of this forest condition before confirming the dismissal of the areas burned by the 2017 mega fire.

#### Drought

The important increase in degradation during the period is linked with the impact of drought and climate change on the state of vegetation, which has been scientifically proven by analyzing the impact of the decrease in rainfall on browning signs representing loss of vigor, especially in sclerophyll forests. In addition, this fosters environmental conditions for forest fires to occur and propagate, which is one of the main causes of forest degradation identified.

Chile has experienced over a decade of drought nationwide. The precipitation deficit since 2010 is 30% (<u>CR2, 2015</u>). The center-south of the country, that is, the north of the CA, are those that have experienced the most significant variations (<u>ARCLIM</u>). Although the native forest has adapted to short drought periods, the duration of the current scenario is causing a significant increase in the native forest deterioration. (<u>CR2, 2020</u>; <u>Miranda et al., 2020</u>; <u>Garreaud et al., 2017</u>), along with an <u>increase in the forest fire regime</u>. In particular, some species and forest types in the CA have displayed a higher sensitivity to precipitations and climate variables, being more affected (<u>Venegas-González et al., 2018</u>; <u>Urrutia, R. & Rojas, Y., 2020</u>).

This scenario is capable of impact the implementation and results of the Chilean ER Program, especially in the CA northern regions. While there are scientific studies that have addressed some specific aspects of the drought, CONAF has undertaken to study its impacts on the ER Program. These analyses will be aimed towards:

- i) Determine the CA native forest surface being affected.
- ii) Assess the magnitude of these impacts on the native forest.
- iii) Estimate their effects over time.

iv) Establish a correlation between these trends with emissions and captures from the native forest, both for the ER Program and the National REDD+ Strategy.

Recent studies (Miranda et al, 2020)<sup>27</sup>, have addressed the impact of the 2010 – 2017 mega drought on the forests of central Chile, indicating its significant impact of the productivity of Mediterranean forests. In addition, a preliminary study conducted by the Forest Institute regarding degradation outcomes analyzed the 2000 – 2020 time series, seeking to identify drought events and their relationship with forests under browning conditions. As a result, the effect on browning in sclerophyll forests is made evident, which coincides with drought events in the evaluated period. The next graph displays the annual browning surface calculated based on Landsat ETM+ and OLI satellite material, for the Maule region and the north area of the Biobío (Just before the Ñuble – Biobío division) considering NDVI ranges of <0.45 and >0.2. The following figure is a synoptic depiction of the NDVI behavior for a stand in a sclerophyll forest, as an example.

<sup>&</sup>lt;sup>27</sup> Forest browning trends in response to drought in a highly threatened Mediterranean landscape of South America, Ecological Indicators (journal homepage: www.elsevier.com/locate/ecolind).

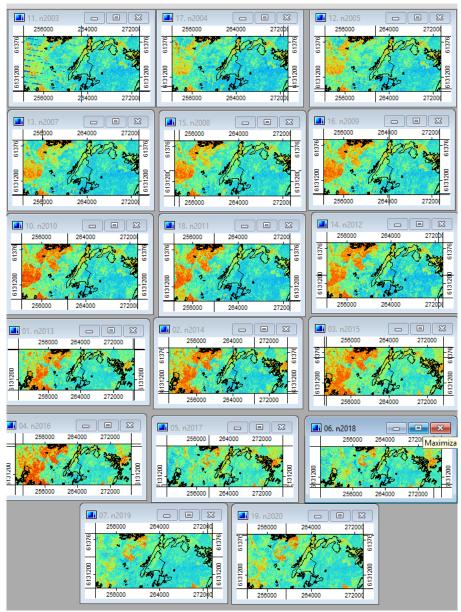


Figure 10 Synoptic view of NDVI behavior in sclerophyll forests (example).

This information was used to count the sclerophyll forest surface with signs of browning, based on the native forest registry for these regions. The occurrence of drought events in the period was added, corresponding to 2007, 2010 - 11, 2016 and 2019 - 20. As a result, the following graph summarizes the annual browning surface, highlighting the years with drought events in pink.

It is possible to conclude that, while browning is evident in the results, it would not be a new event only specific for the period associated to the mega drought, but would rather be associated to a cycle of recurring drought weather events in the last two decades, which is related to climate change. Then, the peaks showing the largest browning effect in the graph coincide with historical drought events reported in Chile and are possibly related to El Niño/La Niña phenomena. It is also worth noting the frequency of these events has increased from 6 to 7 years at 2 to 3 year rates, although their magnitude is greater with regard to the base year (2000), possibly indicating a resilience effect of this forest type.

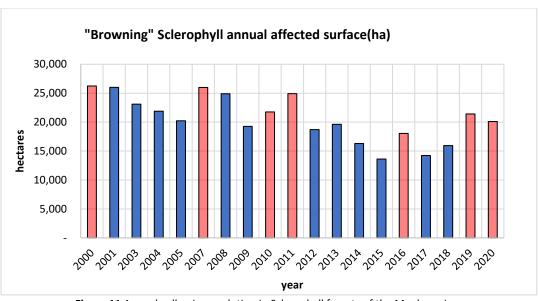


Figure 11 Annual yellowing evolution in Sclerophyll forests of the Maule region.

As demonstrated on a preliminary basis, there is evidence of a browning effect on sclerophyll forests, exacerbated by the mega drought. Nevertheless, more information is required for this to be determined. This requires more in – depth studies in order to determine the magnitude of these effects on the various forest types or some species, at different latitudes where the impacts of the effects of mega drought are also different.

To be able to specify the impact, it is required to expand the time period being evaluated including a period before the year 2000 which would allow to analyze spectral responses of forests in scenarios with no drought events, therefore knowing how plant formations respond to a lower water availability.

Literature also indicates that, along with the decline in rainfall and temperature increase, slope exposure could be an important factor in the loss of vegetation vigor, so it would be another variable worth evaluating. Definitely, once impacts have been detected on a preliminary basis, it is necessary to spatialize their occurrence in native forests, determining their effect in terms of captures and emissions.

In 2022 the GAC consulting develops a methodology to determine the effect of the megadrought in the forest remaining forest. The Chilean experts (GAC-UC) identified areas, by forest type, where vegetation anomalies in the primary productivity variable were frequent between 2001 and 2021. These areas under the impact of the megadrought are the areas affected by browning and correspond to those areas of forest that remain as forests that present phenological anomalies. So, in this study, browning was understood as an abrupt drop in the productivity of trees whose consequences translate into decreased growth or in mortality. The study area was the accountability forestland remaining forestland (FRF) area of the ERP.

#### 7.2 Quantification of Reversals during the Reporting Period

There have been no transfers of reduced emissions in a previous period, therefore there are no reversals of ERs that have been previously transferred to the Carbon Fund.

A.	ER Program Reference level for this Reporting Period (tCO <sub>2</sub> -e)	from section 4.1	
В.	ER Program Reference level for all previous Reporting Periods in the ERPA (tCO2-e).	from previous ER Monitoring Reports	+
C.	Cumulative Reference Level Emissions for all Reporting Periods [A + B]		
D.	Estimation of emissions by sources and removals by sinks for this Reporting Period (tCO <sub>2</sub> -e)	from section 4.2	
E.	Estimation of emissions by sources and removals by sinks for all previous Reporting Periods in the ERPA (tCO <sub>2</sub> -e)	from previous ER Monitoring Reports	
F.	Cumulative emissions by sources and removals by sinks including the current reporting period (as an aggregate accumulated since beginning of the ERPA) [D + E]		]
н.	Cumulative quantity of Total ERs estimated for prior reporting periods (as an aggregate of ERs accumulated since beginning of the ERPA)	from previous ER Monitoring Reports	
I.	[G – H], negative number indicates Reversals		
If I. al	oove is negative and reversals have occ ving:	curred complete the	
J.	Amount of ERs that have been previously transferred to the Carbon Fund, as Contract ERs and Additional ERs		
н.	Quantity of Buffer ERs to be canceled from the Reversal Buffer account [J / H × (H – G)]		

# 7.3 Quantification of pooled reversal buffer replenishments

There have been no transfers of reduced emissions in a previous period, therefore there are no reversals of ERs that have been previously transferred to the Carbon Fund.

#### 7.4 Reversal risk assessment

Risk Factor	Risk indicators	Default Reversal Risk Set- Aside Percentage	Discount	Resulting reversal risk set- aside percentage
Default risk	Minimum quantity set in the ERPD	10%	N/A	10%
Lack of broad and sustained stakeholder support	This risk was defined as Medium in the ERPD, considering that there are land tenure conflicts in Chile, uncertainty in the appropriation of benefit rights, and risks of an inappropriate inclusion of the different actors in the ER Program. In the period of this report, there has been progress in the country in improving these aspects, however, there are still relevant gaps that keep the risk level at medium.	10%	Medium risk, 5% deducted	5%
	<ul> <li>The main indicators of progress are:</li> <li>There is a process of participation and inclusion in the formulation and implementation of the ERP, focused on small-scale landowners and indigenous communities.</li> <li>Permanent operation of platforms to channel citizen demands, such as the CSM.</li> <li>There are communication and validation channels with opportunities for formal participation in CONAF and MINAGRI, e.g. CONAF's COSOC, CTICC.</li> <li>Adequate functioning and representativeness of the Regional REDD+ Groups.</li> <li>Efficient and transparent operation of the BSP.</li> <li>Operation of the Safeguards Information System, and other monitoring activities.</li> <li>Dissemination of the ERP integrated into the institutional management of CONAF at the national and regional level (forestry</li> </ul>			
Lack of institutional capacities and/or ineffective	dissemination and extension programs).  This risk was defined as Low in the ERPD, considering the knowledge and skills gaps existing in the institutions involved and the lack of coordination between them. In the period covered by this report, Chile has taken measures to ensure	10%	Low risk, 10% deducted	0%

vertical/cross	an ever-greater articulation and strengthening of			
sectorial	government institutions involved in the issue of			
coordination	climate change with the ER Program and the			
	ENCCRV, with formal entities such as the			
	Intraministerial Technical Committee of Climate			
	Change (CTICC, acronym in Spanish). These			
	advances keep the risk level low.			
	,			
	The main indicators of progress are:			
	• Strengthening of the institutional capacities			
	of CONAF (DECCSE, other departments and			
	regional offices) for the management of the			
	ERP.			
	• Improvements in institutional conditions,			
	management and logistical aspects that allow			
	the proper functioning of the Regional REDD+			
	Groups.			
	Signing of the agreements required between			
	forestry and agricultural institutions for the			
	correct implementation of the program in the			
	territory.			
	Ensure integration and coordination between			
	the various CONAF extension programs and			
	MINAGRI promotion instruments in the ERP			
	regions.			
	Maintain and expand the participation –when			
	necessary – of other institutional coordination			
	mechanisms linked to climate change and			
	_			
	land management at the regional level (e.g.			
	the Inter-ministerial Technical Committee on			
	Climate Change, CTICC).			
	Secure the additional financing required for			
	the institutional operation of the ERP.			
Lack of long	This risk was defined as Medium in the ERPD,	5%	Medium	3%
term	considering the deficiencies and limited scope of		risk, 2%	
effectiveness in	forest laws and their promotion instruments,		deducted	
addressing	which did not adequately address the causes and			
underlying	agents of deforestation and degradation. Risks of			
drivers	ineffectiveness in governance and the lack of			
	continued funding to implement the ENCCRV			
	action measures were also considered. In the			
	period of this report, there has been progress in			
	the country in improving these aspects, however,			
	there are still relevant gaps that keep the risk level			
	at medium.			
	The main indicators of progress are:			
	Institutional commitment to address both			
	ENCCRV and PRE implementation. Approval of the			
	ENCCRV by the Council of Ministers for			
	Elitebrity by the country of willingters for			

				1
	Sustainability, submitting the ENCCRV at the			
	UNFCCC <u>.</u>			
	Integration of ENCCRV into the environmental			
	and climate policies of Chile for REDD+			
	compliance. Climate Change Adaptation Plan in			
	the Agroforestry Sector, National Climate Change			
	Action Plan 2017-2022, NDC of Chile (2020			
	update).			
	Financing for the institutional management of			
	the ENCCRV and the ERP at the national and			
	regional level, and leverage of additional funds for			
	its execution in the territory (UN-REDD, GCF).			
	Search for new long-term financing models.			
	<ul> <li>Alignment of the action measures of the</li> </ul>			
	ENCCRV and the ERP with the actions defined			
	under the national forest legislation (Law 20,283			
	and Decree 259) and forest extension regulation			
	that ensures their execution over time.			
Exposure and	This risk was defined as Medium in the ERPD,	5%	High risk,	5%
vulnerability to	considering that although there is a permanent		0%	
natural	risk of earthquakes, volcanic eruptions and		deducted	
disturbances	droughts in the AA, most of these disasters do not			
	cause extensive damage to the forests and their			
	temporary recurrence it is low.			
	As suideneed in 7.1 duringly increased their			
	As evidenced in 7.1, droughts increased their			
	recurrence in the AA, so the level of this risk should increase to a high risk. On the other hand, forest			
	fires cause a lot of impact, degradation and			
	emissions, but in Chile these events are classified			
	as 100% of anthropogenic origin, therefore, they			
	are not considered natural disturbances.			
	are not considered natural disturbances.			
	It is then considered that this factor should			
	increase its risk to a high level, in the period of this			
	report.			
	-r			
	The main indicators of progress are:			
	• High risk due to natural disasters, which could			
	directly affect the capacity of the native forest in			
	the intervention area to capture and store			
	carbon, since these forests are one of the main			
	sinks that contribute to the regulation of the			
	water regime, through the precipitation and			
	runoff regulation, the conservation and			
	protection of soils, especially against erosion,			
	and the conservation of biodiversity. Despite the			
	fact that forest fires cause significant			
	degradation, 99.7% of these fires are due to			
	anthropogenic causes, which may be			
	• High risk due to natural disasters, which could directly affect the capacity of the native forest in the intervention area to capture and store carbon, since these forests are one of the main sinks that contribute to the regulation of the water regime, through the precipitation and runoff regulation, the conservation and protection of soils, especially against erosion, and the conservation of biodiversity. Despite the fact that forest fires cause significant degradation, 99.7% of these fires are due to			

intentional, accidental or unknown, and only			
0.3% are due to natural causes (volcanic			
eruptions, lightning strikes). However, as a result			
of the effects of climate change (rising			
temperatures, rising sea levels, retreating			
glaciers, and intensification of extreme weather			
events, such as droughts and floods), forest fires			
could increase in the future. This would increase			
the negative effects of the mega-drought in the			
northern regions of AA.			
• Increase and strengthen programs to reduce the			
occurrence, magnitude, and intensity of forest			
fires and strengthen institutional capacities to			
restore and conserve native forests that are			
most vulnerable to drought (through			
environmental education programs, fire			
prevention programs, post-fire mitigation			
programs).			
	Total reversal	risk set-	23%
	aside percenta	age	
	Total reversal	risk set-	23%
	aside percenta	_	
	ER-PD or prev		
	monitoring re		
	(whichever is	more	
	recent)		

The reversals risk assessment was updated with respect what was reported ERPD, in the risk factor Exposure and vulnerability to natural disturbances. In the ERPD this risk factor was assessed as Medium, assigning a percentage of 3%. In this monitoring period assessment, the value was increased to the maximum, considering the High Risk of natural disturbances and disasters. As was observed and explained, 2018-2019 reporting period was heavily affected by drought and climate change. The total reversal risk percentage is then 23%.

However, during September and October 2023, through discussions held with the Carbon Fund donors where Chile presented an adjustment to the emissions accounting methodology, it was proposed to apply the maximum risk of possible reversals established in the Buffer Guideline.

In this way, applying a completely conservative criterion and given the methodological adjustment in which the occurrence of non-anthropogenic disturbances is assessed, it was decided to apply 40% as the total risk of reversals.

### 8 EMISSION REDUCTIONS AVAILABLE FOR TRANSFER TO THE CARBON FUND

A.	Emission Reductions during the Reporting period (tCO <sub>2</sub> -e)	from section 4.3	2,011,810
В.	If applicable, number of Emission Reductions from reducing forest degradation that have been estimated using proxybased estimation approaches (use zero if not applicable)		
c.	Number of Emission Reductions estimated using measurement approaches (A-B)		2,011,810
D.	Percentage of ERs (A) for which the ability to transfer Title to ERs is clear or uncontested	from section 6.1	100%
E.	ERs sold, assigned or otherwise used by any other entity for sale, public relations, compliance or any other purpose including ERs accounted separately under other GHG accounting schemes or ERs that have been set-aside to meet Reversal management requirements under other GHG accounting schemes	from section 6.4	0
	If applicable, any buffer replenishments	section 7.3 P	
F.	Total ERs [(B+C)*D-E] minus, if applicable, any replenishments as per section 7.3, P		2,011,810
G.	Conservativeness Factor to reflect the level of uncertainty from non-proxy based approaches associated with the estimation of ERs during the Crediting Period	from section 5.2	15%
н.	Quantity of ERs to be allocated to the Uncertainty Reversal Buffer (0.15*B/A*F)+(G*C/A*F)		301,770
ı.	Total reversal risk set-aside percentage applied to the ER program	from section 7.4	40%
J.	Quantity of ERs to be allocated to the Pooled Reversal Buffer (F-H)*I		684,016
к.	Number of FCPF ERs (F- H – J)		1,026,024
L.	Percentage of Emission reductions from enhanced removals from afforestation/reforestation as a percentage of the total removals [Optional if the country wishes to generate enhanced removals]	From section 4.3	8.3%
М	Number of FCPF ERs from enhanced removals from afforestation/reforestation (L * K) [Optional if the country wishes to generate enhanced removals]		85,158

#### ANNEX 1: INFORMATION ON THE IMPLEMENTATION OF THE SAFEGUARDS PLANS

#### I. Requirements of FCPF on Managing the Environmental and Social Aspects of ER Programs

This report addresses the implementation of the Environmental and Social Management Framework (MGAS), which establishes the protocols, resources, and procedures necessary to address and comply with the safeguards in the implementation of the action measures in the National Strategy on Climate Change and Vegetation Resources (ENCCRV) for the period 2020-2021, under the results-based payment mechanism of Chile's Emissions Reductions Payment Agreement (ERPA).

In this regard, the report is based on the information in Annex 1 of the Emissions Reduction Monitoring Report for the period 2018-2019, presented to the Fund Management Team (FMT), which was validated by the World Bank in an email dated 25 October 2021. In addition, a process of compiling and updating information from primary sources was carried out using the methodology of surveys and interviews with the professionals involved in the implementation of the Emissions Reduction Program (ERP) during the same period.

During the reporting period (2020-2021), the MGAS had already received the initial validation of the World Bank in May 2018, and was in the process of institutional implementation by the National Forestry Corporation (CONAF). CONAF considers one of its responsibilities to be the continuous improvement of its management instruments, and for this reason the MGAS has implied a gradual strengthening process, which includes active participation in the permanent review and updating of procedures for regional technical teams at the national level. The aim is to ensure the progressive incorporation of additional requirements that may arise from environmental and social performance standards linked to the Cancun safeguards and the World Bank operational policies, among others, as part of CONAF's institutional responsibility.

It is important to note that during the reporting period and considering that the ERPA effectiveness conditions were met in June 2021, there was no progress in the implementation of emission reduction activities derived from the implementation of the Benefit Sharing Plan (BSP), since the program was in the design and formulation phase and is expected to start operating from August 2022. <sup>28</sup> In this regard, this report includes the analysis of Emission Reduction (ER) activities and programs grouped into the following categories:

- CONAF institutional activities and programs that were financed by the Budget Office (National Funds) and,
- Pilot projects in the implementation phase<sup>29</sup> of the ENCCRV financed with international funds (detailed information in the following table).

Financing category	Activities/programs linked to the ERP
i) CONAF institutional activities and programs that	Allowance for activities carried out within the framework of Law No. 20,283, on Native Forest Recovery and Forestry Promotion
were financed by the Budget Office	Supervision of concessions in the National System of State-Protected Wilderness Areas (SNASPE by Spanish acronym)
	Implementation of conservation strategies in SNASPE units

<sup>&</sup>lt;sup>28</sup> In August 2022 it is planned to start with the first public application process for benefits of the ENCCRV payment-by-results phase, considering the implementation of the funds awarded by Chile through the Green Climate Fund (GCF).

<sup>29</sup> Although during the year 2019 the resources of the Green Climate Fund were approved and the ERPA was signed as part of the actions of the results-based payment phase of the ENCCRV, it was not until the end of 2021 when it began early execution of this phase.

Financing category	Activities/programs linked to the ERP
	Preparation or updating of Management Plans with strengthened SNASPE planning methodology
	Participatory forestry program
	Tree planting program
	Native Forest Management Plans, awarded under Law 20,283
	Supervision of technical studies of native forest management approved by CONAF
	Inspection of timber extraction, tree cutting or work plans
	Allowance for activities carried out within the framework of Law No. 20,283
	Checkpoints at collection areas and on highways
	Actions that promote the production of firewood and sustainable biomass
	Property inspections and compliance controls through SAT/LEMU
	Inspection of compliance with forest legislation
	Investigation of third-party complaints
	Inspections and training related to the Controlled Burning Program
	Promotion of initiatives that consider productive chaining
	Economic Reactivation Program <sup>30</sup>
	Forest Fire Community Preparedness Program
	Preparation of community protection plans in risk areas
ii) Pilot projects in the	Sustainable Land Management Project (PMST) of the ENCCRV
implementation phase of the ENCCRV financed with	UN-REDD National Program of the ENCCRV
international funds	+Bosques Project of the ENCCRV

**Table 5** Description of ER activities and programs according to the categories of national and international financing. Source:

Own elaboration based on information from CONAF Technical Management Units.

 $<sup>^{30}\,</sup>National\,Program\,implemented\,in\,2021\,by\,CONAF\,within\,the\,framework\,of\,the\,Temporary\,Emergency\,Fund\,-\,Law\,21,288, more\,information\,available\,at: \\ \frac{https://www.conaf.cl/wp-content/uploads/2015/12/Reactivaci%C3%B3n-Econ%C3%B3mica.pdf}{https://www.conaf.cl/wp-content/uploads/2015/12/Reactivaci%C3%B3n-Econ%C3%B3mica.pdf}$ 

#### II. Monitoring and Reporting Requirements

1. Entities that are responsible for implementing the Safeguards Plans are adequately resourced to carry out their assigned duties and responsibilities as defined in the Safeguards Plans.

The key resources and provisions to carry out the obligations and responsibilities in the implementation of the MGAS for the reporting period are described below.

1.1 Summarize the key institutional arrangements, such as decision procedures, institutional responsibilities, budgets, and monitoring arrangements that are required under the Safeguards Plans.

The National Forestry Corporation (CONAF), as an entity responsible to the Ministry of Agriculture, has an organic structure that provides technical, administrative and support management, through various management units, departments and secretariats, as shown in the next figure.

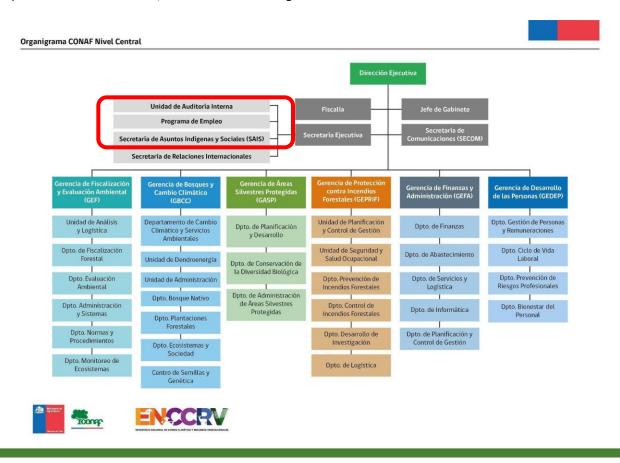


Figure 12 Organizational chart of the CONAF structure, central level. Source: MGAS update.

In 2021, at the central level, CONAF made two relevant structural changes in the management of environmental and social safeguards, as described below:

Through Resolution No. 252/2021 of the CONAF Executive Directorate, the Forestry and Climate Change
Management Unit was created to replace the Forestry Development and Promotion Management Unit,
which has the objective of: "Improving the quality, health and sustainability of forest and urban ecosystems,

through sustainable management and the creation of new forests, with emphasis on the restoration of forest landscapes, and their role in climate change adaptation and mitigation, to contribute to improving the quality of life of small and medium-sized landowners, indigenous communities, and society as a whole, as well as the fulfilment of the country's international commitments".

• As established in Resolution No. 731/2021 of the CONAF Executive Directorate, the name of the Indigenous and Social Affairs Unit (UAIS) was modified to the Secretariat of Indigenous and Social Affairs (SAIS), considering that the Chilean forestry sector is one of the most important areas of the economy in the country's development strategy and that it is necessary to broaden the horizon of influence towards the social, cultural and environmental spheres, driven by the demands of an empowered and participatory citizenry that longs for a better quality of life.

These changes have been implemented as strengthening measures to comply with the institutional mission and promote sustainable forest management, as a way of contributing to the reduction of greenhouse gas emissions (GHG) globally. This goal is aligned with the objective of making Chile a carbon neutral country by 2050, and other commitments regarding climate change mitigation established in the decisions of the United Nations Framework Convention on Climate Change (UNFCCC), including the Nationally Determined Contributions (NDCs) indicated in the Paris Agreement of 2015 and updated in 2020.<sup>31</sup> In addition, CONAF's management, administration and support units are aligned with the institutional provisions established in the MGAS, and strengthen the environmental and social management of the potential risks and impacts of the ENCCRV, as described below:

- Forest and Xerophytic Ecosystems Conservation Management (GCEBX): Ensure the design, implementation
  and monitoring of policies and programs aimed at promoting the mitigation of climate change through the
  sustainable management of forest resources, focusing on achieving national and international goals and
  commitments related to reducing GHG emissions, including the implementation of safeguards.
- Department of Climate Change and Ecosystem Services (DCCSE): Through the creation of the Office of Environmental and Social Safeguards, the department seeks to support the institution in the implementation of the MGAS and compliance with the ENCCRV safeguards, as part of the requirements linked to the achievement of national and international goals and commitments regarding climate change mitigation.
- Secretariat of Indigenous and Social Affairs (SAIS): Provides technical support to the DCCSE through the analysis and monitoring of social safeguards, especially those related to the participation of beneficiaries and respect for the rights of indigenous communities.

In terms of the support provided by the National Prosecutor's Office, the Department of Environmental Assessment and regional technical teams, the specific roles related to the institutional management of safeguards did not undergo changes with respect to the 2018-2019 period. Similarly, for the reported period (2020-2021), work continued with the support of other units and committees linked to safeguards management, such as:

CONAF Inter-Institutional Committee on Climate Change: Permanent entity responsible for coordinating all
institutional actions linked to the ENCCRV, which is made up of CONAF technical management units (GCEBX,

<sup>31</sup> More information available at: https://mma.gob.cl/wp-content/uploads/2020/04/NDC Chile 2020 espan%CC%83ol-1.pdf

GEF, GASP, GEPRIF), and some advisory units (SAIS, Secretariat for International Relations, Gender Equality Unit) and the Secretariat for Forest Policy (SPF). This committee represents the highest institutional body for transversal coordination at the central level and between this level and the regional teams.

- CONAF Civil Society Council (COSOC): Consultative (non-binding) mechanism for public participation that is
  aimed at representatives of civil society, with the main objective of issuing opinions to be considered by the
  relevant authorities in their corresponding decision-making processes. In this context, the ENCCRV
  responds to the recommendations of the council as a public policy instrument, especially in terms of
  safeguards, participation of local communities, guidelines and consultation with indigenous peoples.
- Steering Committees of ENCCRV projects financed with international funds: Strategic decision-making body, limited by the timescale and specific objectives of each ENCCRV project, which is responsible for making available the necessary resources in order to ensure monitoring and compliance of the plans and actions established in the social and environmental management frameworks, including the MGAS.

#### Human and financial resources of entities and parties involved

During the reporting period, the strengthening of the Social and Environmental Safeguards Team continued at the institutional level, led jointly by professionals from the DCCSE and the SAIS, forming a multidisciplinary team with experience in different areas. Specifically, during the reported period the team was comprised of three environmental specialists and four social specialists. In late 2021, and with the creation of the DCCSE, a safeguards section was formed for the first time with a national budget, which is made up of three professionals, one with the position of head of the section and another two support professionals in the social and environmental areas, who work in coordination with SAIS professionals. Regarding the team's responsibilities, these continue to be coordinated in the same way as in the 2018-2019 period.

Additionally, with the start of the +Bosques project during the ENCCRV results-based payment phase in the second half of 2021, and with the aim of ensuring compliance with the safeguards established in the ENCCRV Social and Environmental Management Framework and the project,<sup>32</sup> the Food and Agriculture Organization of the United Nations (FAO), in its role as implementation agency, began hiring the safeguards team for the +Bosques project, which will operate through 2026. This environmental and social safeguards team is comprised of a coordinator, an indigenous people, environmental and gender approach specialists. The roles and responsibilities of the team are clearly defined in its Terms of Reference and are summarized below:

- Work in coordination with the DCCSE, SAIS and the CONAF Gender Equality Unit.
- Ensure compliance with the Social and Environmental Management Framework of the project<sup>33</sup> and the ENCCRV MGAS .
- Prepare progress reports on compliance with project safeguards.
- Provide technical support to regional teams.
- Collaborate in the strengthening and transfer of capacities for the institutional management of safeguards.

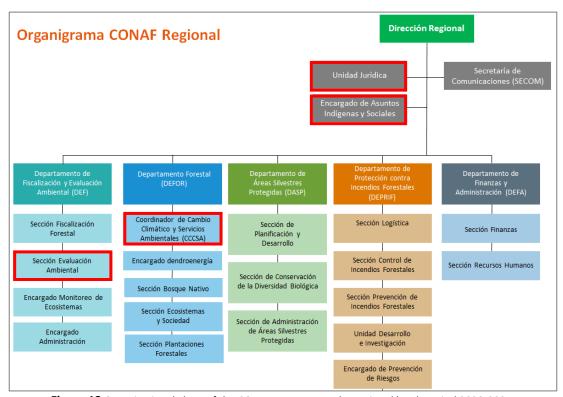
Finally, during the project period the Regional Technical Teams maintained their role in the territorial implementation of projects and initiatives, thus ensuring that the relevant safeguards were addressed and respected. Each of these teams is led by the Coordinator of Climate Change and Environmental Services, in strict collaboration with the head of the Department of Forests and Climate Change of each region. In the regions where pilot projects and/or projects in the implementation phase of the ENCCRV were carried out, the Secretariat for

<sup>32</sup> More information available at: <a href="https://www.enccrv.cl/fp-y-anexos-espanol">https://www.enccrv.cl/fp-y-anexos-espanol</a>

<sup>&</sup>lt;sup>33</sup> The +Bosques project has its own Social and Environmental Management Framework; more information available at: <a href="https://www.enccrv.cl/fp-y-anexos-espanol">https://www.enccrv.cl/fp-y-anexos-espanol</a>

Indigenous and Social Affairs continued to provide support in the management of project safeguards. At the central level, the SAIS provides direct support in regions where there is still no Regional Indigenous Affairs Officer.

In the case of the regions where the +Bosques project was implemented, a team of specialists was formed to provide technical support to the Department of Forests and Climate Change, including safeguard management activities. The following figure indicates the priority areas that contribute to the management of safeguards at the regional level, in coordination with their respective counterparts at the central level. However, all the other institutional units also collaborate and assume the responsibilities required in the implementation of the strategy.



**Figure 13** Organizational chart of the CONAF structure at the regional level, period 2020-2021.

The relationship and flow of information between the central units and the Regional Technical Teams is shown in the following figure.

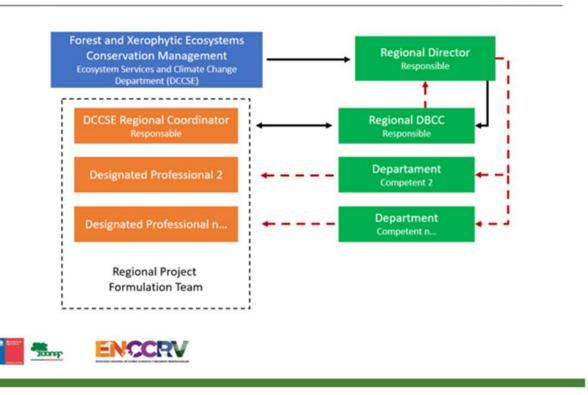


Figure 14 Flow of technical management and safeguards that apply to the ENCCRV for the reporting period.

Finally, with the aim of implementing the institutional ERP safeguards during the 2020-2021 period, the formation of the team responsible for the safeguards, both at the central and regional level, implies a budgetary expense related to: i) the payment of salaries to central level professionals; ii) travel expenses; iii) other capacity building activities, and iv) payment of salaries to professionals in the regions. In this regard, the following expenses were incurred:

Año 2020	FCPF II	GEF (PMST)	PN ONUREDD	CONAF
Sueldos Nivel Central	76.199	-	25.568	10.348
Viaticos	1.631	673	-	-
taller		-	-	-
Sueldos Nivel Regional	-		14.342	176.821
Total 2020	77.830	673	39.910	187.169

Año 2021	FCPF II	GEF (PMST)	PN ONUREDD	CONAF	FVC
Sueldos Nivel Central	70.707		38.878	10.845	29.066
Viaticos	227	643	-	-	5.229
taller	-	-	-	-	-
Sueldos Nivel Regional	-	-	5.004	171.087	27.394
Total 2021	70.934	643	43.882	181.932	61.689

Table 6 Expenses (in USD) associated with ERP safeguards management in the period 2020-2021.

In the above table, the expenses associated with the management of ERP safeguards are classified according to the financing source. In this regard, the FCPF II, GEF Sustainable Land Management Project (PMST, acronym in Spanish),

the UN REDD PN and GCF were the main international funding sources, and CONAF financing represents the national contribution from the Budget Office. In addition, the inter-annual comparison shows that, from 2021, the GCF resources began to be executed through the +Bosques project,<sup>34</sup> which coincides with the technical and administrative closure of the FCPF II, PMST and the UN REDD PN.

1.2 Confirm whether the institutional arrangements summarized above have been put in place.

In terms of governance, institutional organization and decision-making procedures, the arrangements described in the previous point were implemented in the ENCCRV pilot projects and CONAF activities during the 2020-2021 period, with the proper functioning of the relevant entities and safeguarding teams, along with a process for creating the regional teams. However, although each of CONAF's technical management units has designated a professional counterpart to the ENCCRV safeguards team, they are not exclusively dedicated to safeguards management, which means there is an opportunity to include a full-time safeguards specialist in the central office of each management unit and in the CONAF regional offices, in order to strengthen the corporation's approach to safeguards. CONAF is currently evaluating the economic feasibility of this proposal.

1.3 Confirm that the implementing entities and stakeholders understand their respective roles; have the technical capacity to execute their responsibilities; and have adequate human and financial resources.

In addition to the above, training and workshops have been carried out focused on the dissemination, strengthening and institutionalization of the safeguards approach for CONAF professionals and teams dedicated to the development and implementation of environmentally sustainable projects. In this regard, the institutional strengthening activities presented in the MGAS were implemented during the reporting period, including:

- Support activities for CONAF professionals led by the environmental and social safeguards team of the central office in aspects of safeguards management and other specific topics.
- Dissemination of phases and responsibilities involved in the implementation of the MGAS through the delivery of two copies of the document to the regional offices.

1.4 Where specific capacity building measures (e.g., training and professional development) have been required by the ER Program or Safeguards Plans, describe the extent to which these measures have been carried out.

Besides, the implementation of capacity building workshops for the CONAF teams, including activities for the implementation of the ENCCRV, has been continuous since its preparation phase. In this context, key activities implemented during the reporting period, which included the participation of Regional Climate Change Coordinators, are described below:

- Training workshops and participatory development of the ERPA Safeguards Report 2018-2019 (February to March 2021): the national safeguards team led the development of 10 training workshops with an average duration of 3 hours each and which involved the participation of 39 professionals from the different technical departments of CONAF, with the aim of strengthening institutional capacities related to the definition of safeguards, international conventions and mandatory compliance, the MGAS as an umbrella tool for management, identification and prevention of socio-environmental risks within the framework of the Cancun safeguards and the OP/BP, among others.
- Project process flow workshop on the ENCCRV platform (September 2021): this workshop, organized jointly by CONAF and FAO and consisting of 8 hours of theory-practice, was aimed at all professionals who work in

<sup>&</sup>lt;sup>34</sup>The listed expenses correspond to the payment of salaries of three safeguards professionals at the central level and three at the regional level, as well as their respective travel expenses.

the implementation of the +Bosques project from the Maule Region to the Los Lagos Region. It sought to provide practical training on the procedures for the design, implementation and monitoring of territorial implementation projects within the framework of the third phase of the National Strategy on Climate Change and Vegetation Resources, as well as training regional teams in the use of the Safeguards Information System as a project management tool and facilitating feedback for its continuous improvement.

• Indigenous Peoples and Local Communities Workshop (October 2021): the SAIS, together with the DCCSE, held a 16-hour theoretical-practical workshop aimed at all the professional teams involved in the implementation of the +Bosques project, from the Maule Region to the Los Lagos Region, with the objective of strengthening capacities for working with indigenous peoples and local communities, along with the use of intercultural tools that promote public value, the effectiveness and sustainability of project activities, as well as compliance with the relevant safeguards and national and international standards.

In addition, during the reporting period the first virtual course on safeguards was created, which is available on the Google Classroom platform, with the objective of strengthening the competencies of the institution's professionals related to the compliance with the social and environmental safeguards (includes Cancun Safeguards and OP/BP). In addition, information has been broadly disseminated at the national level through technical tours, seminars, courses and documents referring to the socio-environmental management aspects of the ENCCRV. The support for the institutional strengthening of safeguards is also documented on the ENCCRV website.

## 2. ER Program activities are implemented in accordance with management and mitigation measures specified in the Safeguards Plans.

2.1 Confirm that environmental and social documents prepared during Program implementation are based on the Safeguards Plans. Provide information on their scope, main mitigation measures specified in the plans, whether the plans are prepared in a timely manner, and whether disclosure and consultation on the plans are carried out in accordance with agreed measures.

As explained in Chapter I, the ENCCRV, as a CONAF public policy instrument, has been implemented through two types of activities. First, those included in the regular management of the institution that are carried out with financing allocated through the Budget Law, and secondly, those carried out through funding from multilateral organizations that are directly administered by CONAF.

This financing arrangement ensures the appropriate tools for the management of safeguards, including the prevention of environmental and social risks and the mitigation of potential impacts. For this purpose, based on the analysis of environmental and social risks carried out in 2016 through the Strategic Environmental and Social Assessment (SESA)<sup>35</sup>, the relevant elements of the national environmental and social regulations were aligned, considering their contribution in terms of compliance with the OP/BP, and published in the MGAS in 2018. However, this coordination does not ensure the full respect and compliance with the safeguards and there are still numerous gaps that were also considered in the MGAS, mainly requiring the development of protocols and

numerous gaps that were also considered in the MGAS, mainly requiring the development of protocols and procedures adapted to the needs of the safeguards associated with the ENCCRV. Additionally, in order to ensure the alignment of operational instruments, CONAF has supported the mitigation of socio-environmental impacts through its respective management instruments, in strict adherence to the national legal and regulatory framework. Table 7 presents the homologation between the existing environmental and social instruments, the respective prevention measures and their implementation status during the reporting period, both for the ENCCRV pilot projects and the activities funded through the national budget.

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<sup>35</sup> https://www.enccrv.cl/sesa-final

This report was developed in close coordination with the professionals of the various CONAF Technical Management Units, who were designated as counterparts of the National Team for Environmental and Social Safeguards and were entrusted with completing a digital survey, which generated information that was subsequently complemented through work meetings.

Regarding the systematization of this information, all the activities carried out during the period 2020-2021 and reported in Table 7 were consistent in the adoption of the technical and operational guidelines defined in the existing institutional and legal management mechanisms and instruments. The following table includes a list of CONAF management instruments aligned with the OPs/WB, as well as their implementation status for the reporting period (2020-2021), their main prevention and/or mitigation measures, and the activities in line with the ENCCRV that contribute to the Emissions Reduction Program.

Operational Policy	CONAF management instruments, in line with the MGAS requirements	Status in 2020- 2021 period	Description of prevention/mitigation measures	Related activities
OP 4.01 Environmental	Environmental Assessment Guide "Criteria for the participation of CONAF in the SEIA"	Implemented	Defines and presents the aspects and criteria that CONAF will apply in the evaluation process of the projects submitted to the SEIA.	ENCCRV pilot projects
Assessment	Safeguards records of the Land Management Plan	Implemented	Planning tool that includes the preventive analysis of possible risks or potential impacts associated with project implementation activities.	ENCCRV pilot projects
	Supreme Decree No. 16-Approval of the classification of species 16th Process	Implemented	Establishes the conservation category of the different native species of the country, in accordance with the procedure established in the regulation for the classification of wild species (DS No. 29).	Allowance for activities carried out within the framework of Law No. 20,283
	SNASPE Manual for the Supervision of Ecotourism Concessions	Implemented	Recreational services, and those associated with special interest tourism, must ensure that their development is compatible with both the general and specific objectives that motivated the creation of the protected wilderness areas.	Inspection of concessions in the SNASPE
OP 4.04 Natural Habitats	SNASPE Manual for Management Planning of Protected Areas	Implemented	Establishes the guidelines associated with zoning and territorial analysis, cultural conservation and human wellbeing, participation aspects, analysis of vulnerability to climate change, the logical framework matrix, operational plans, and monitoring, among others, in order to ensure the protection of the protected wilderness areas that are part of the SNASPE.	Preparation or updating of management plans using the strengthened planning methodology of SNASPE; implementation of conservation strategies in SNASPE units
	Protected Areas according to Law 18,378	Implemented	Establishes bans on the cutting of trees and shrubs present in 16 areas within the territory of the Emissions Reduction Program through Supreme Decrees, leaving CONAF in charge of authorizing and supervising the regulations of this law and its associated decrees.	Preparation or updating of management plans with the strengthened planning methodology of SNASPE.

Operational Policy	CONAF management instruments, in line with the MGAS requirements	Status in 2020- 2021 period	Description of prevention/mitigation measures	Related activities
OP 4.09 Pest Management	SAG Pesticide List	Implemented	List of authorized pesticides, based on a rigorous evaluation process and requirements indicated in the international agreements signed by Chile (Resolution No. 1,557 of 2014).	Participatory Forestry Program
	Pesticide Applicator Certification	Implemented	Establishes the requirements for obtaining a certificate that recognizes that the applicator is trained in the use and management of agricultural pesticides, according to the framework established by the Livestock Agricultural Service (SAG) (exempt resolution No. 2029/2017).	Participatory Forestry Program
	Basic Guide to Good Practices for Small and Medium-sized Owners of Forest Plantations	Implemented	Establishes a series of technical recommendations aimed at preparing the site, soil recovery and planting activities that includes aspects such as correct management of plant waste, pest and disease control techniques, among others.	Allowance for activities carried out within the framework of Law No. 20,283
	CONAF National Forestry Extension Program	Implemented	Collaborate with institutional professionals in the tasks associated with the implementation of Law No. 20,283, such as providing professional advice to small and medium-sized plantation owners who do not have the means to contract these services, training of owners for the correct execution and monitoring of the tasks during their development, among others.	Participatory Forestry Program
OP 4.36 Forests and Plantations	Manual of technical procedures for the 2020 tree planting program	Implemented	Promote the generation of ecosystem services through tree planting activities in urban and peri-urban parks, considering the use of plants with heritage and cultural value (native species and/or in a state of conservation), contributing to the dissemination of the benefits they provide to society to improve the quality of life of the population.	Tree planting program
	Application form for the tree planting program	Implemented	Contains a list of aspects that the applicant must take into account when applying for the tree planting program, including the commitment to care for the plants following CONAF's technical recommendations and the acceptance of monitoring and evaluation activities, among others.	Tree planting program
	Considerations for the formulation of the Native Forest	Implemented	Establishes the technical requirements for planning the management of ecological heritage or the sustainable use of	Management plans awarded grants

Operational Policy	CONAF management instruments, in line with the MGAS requirements	Status in 2020- 2021 period	Description of prevention/mitigation measures	Related activities
	Management Plan, Law No. 20,283		forest resources on a given piece of land, safeguarding water quality and avoiding soil deterioration.	
	Requirements for management plans	Implemented and permanently updated	Set of norms and technical requirements associated with the management and conservation of native forest, as well as certificates for the accreditation of management plans and activities considered in Law No. 20,283 (includes form for improving management plans).	Awarded management plans; supervision of technical studies of native forest management approved by CONAF; inspection of extraction plans, logging or work plans
		Establishes in detail the various activities eligible for subsidies under articles A), B) and C) of Law 20,283 on the recovery of the native forest.	Allowance for activities carried out within the framework of Law No. 20,283	
	Supreme Decree No. 68, List of tree and shrub species native to the country	Implemented	Defines, based on a series of scientific studies, the list of native shrub and forest species of the country that are eligible for funding.	Allowance for activities carried out within the framework of Law No. 20,283
Supreme Decree No.	Implemented	Establishes the conservation category of the different native species of the country according to the procedure established in the regulation for the classification of wild species (DS N°29).	Allowance for activities carried out within the framework of Law No. 20,283	
	Guides to free passage for the transport of native forest products	Implemented	Certifies that the primary products of the native forest (according to the list) come from a cut authorized by CONAF through a management plan, management norm or logging permit.	Allowance for activities carried out within the framework of Law No. 20.283; Checkpoints at collection areas and on highways
	CONAF Wood Energy Strategy 2015-2030	Implemented	Promotes the sustainable production and efficient use of forest biomass as a non-conventional renewable energy, to	Actions that promote the production of

Operational Policy	CONAF management instruments, in line with the MGAS requirements	Status in 2020- 2021 period	Description of prevention/mitigation measures	Related activities
			contribute to the security and energy independence of the country through the inclusion and capacity building of small-scale owners of native forests, plantations and microenterprises in the sector.	firewood and sustainable biomass
	National Firewood Certification System	Implemented	Certification standard comprised of four principles, which are verified through documents, measurements, and records, among other evidence, including the origin of the firewood, while ensuring compliance with the Forest Management Plan.	Actions that promote the production of firewood and sustainable biomass
	Good practice guidelines on tools to combat and prevent illegal logging activities and associated trade	Not yet implemented <sup>36</sup> Document in the first rounds of revision under the EGILAT framework <sup>37</sup>	Provides a series of tools and technologies to support traceability regarding the origin of wood products, in order to support the management of inspections and controls at collection centres and on highways.	Checkpoints at collection centres and on highways; property inspections and compliance controls through SAT/LEMU
	CONAF Forest Administration and Inspection System (SAFF)	Implemented and permanently updated	Tool that supports the institutional management of protection of ecosystems and environmental heritage from illegal practices in forest resources.	Investigation of complaints from third parties; supervision of compliance with forest legislation; review of extraction, logging or work plans
	Instructions for filling out and submitting the third-party complaints form related to alleged	Implemented	The form, which can be submitted in person, in writing or through the institutional website, allows the complaints to be classified according to the type of natural resource affected, including a field for native forest, water resources and others, such as species or sites of cultural significance to local and indigenous communities.	Investigation of third- party complaints

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<sup>&</sup>lt;sup>36</sup>CONAF is not currently empowered to certify the trade of timber products. However, companies engaged in this trade can seek its validation to confirm that the wood was extracted with CONAF's authorization under its management plan, and copies of this plan may be used for forestry activities under Law 20.283 issued by CONAF and transport consignment notes.

<sup>&</sup>lt;sup>37</sup> APEC Expert Group on Illegal Logging and Associated Trade.

Operational Policy	CONAF management instruments, in line with the MGAS requirements	Status in 2020- 2021 period	Description of prevention/mitigation measures	Related activities
	violations of forest law <sup>38</sup>			
	Logging and Extraction Monitoring Unit (LEMU)	Implemented and permanently updated	Forest Extraction and Harvest Monitoring System is a remote sensing tool that allows the user to detect changes in vegetation cover at the national level, thus supporting the effective territorial deployment and allocation of monitoring resources.	Property inspections and compliance controls through SAT/LEMU
	National guidelines for prescribed burning	Updated and formalized through Memorandum No. 1399, of 03/19/2020	Establishes criteria and measures to be implemented in each region to ensure that fire is used as a safe tool for the management of plant waste, in addition to defining the special situations in which the use of fire implies the generation of prescribed burn plans, especially in areas where there is native forest on the property (Araucanía Region only) or in the case of proximity to SNASPE areas (all regions of the country).	Inspections and training workshops under the Prescribed Burning Program
	Guidelines for alternatives to burning as part of the training program	Implemented	Project to promote alternatives to burning in order to reduce negative externalities, such as environmental contamination and risk of forest fires.	Inspections and training workshops under the Prescribed Burning Program
	General guidelines for the Economic Reactivation Program	Implemented (2021)	Establishes the framework in which the activities will be developed, general criteria for assigning projects, technical criteria, administrative procedures and description of reporting and monitoring. The restoration practices to be implemented by the program are indicated, which correspond to the management of native forest, including forest fire prevention, afforestation, and recovery of forests affected by forest fires or climate change, while prioritizing the recovery of native forest, the conversion of exotic plantations to native species, afforestation with native species in soil conservation and protection zones, wetlands, headwaters and other watercourses.	Economic Reactivation Program

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<sup>&</sup>lt;sup>38</sup> Available at <a href="https://oficinavirtual.conaf.cl/denunciaTerceros/index.php?x=1">https://oficinavirtual.conaf.cl/denunciaTerceros/index.php?x=1</a>

Operational Policy	CONAF management instruments, in line with the MGAS requirements	Status in 2020- 2021 period	Description of prevention/mitigation measures	Related activities
OP 4.10 Indigenous Peoples	Regional participatory forestry programs	Implemented	Aimed at promoting the active collaboration of all parties/social actors, as well as sharing ideas and experiences, in order to seek solutions in a participatory manner.	Participatory Forestry Program
	Rules of the contest for the Fund for the Conservation, Recovery and Sustainable Management of the Native Forest	Implemented	Considers the admission of group applications from small-scale forestry owners, made directly or by the organizations that represent them (e.g., indigenous communities, agricultural communities, among others).	Promotion of initiatives that consider integrated production
	SNASPE Ecotourism Concession Inspection Manual	Implemented	Establishes that concession contracts in protected wilderness areas that overlap with ADI must reflect the relevant agreements between CONAF and the National Indigenous Development Corporation (CONADI), specifically regarding the definition of the form of participation of existing indigenous communities in the ADI.	Inspection of concessions in the SNASPE
	Manual for Management Planning in SNASPE Protected Areas	Implemented	Establishes participation as a central axis in the planning process that involves the local community in the management of SNASPE, in order to strengthen the system's different units, as well as to increase their appreciation of the valuable natural and cultural heritage in these areas, while helping to expand their areas of influence through the advisory councils of SNASPE.	Preparation or updating of management plans with the strengthened planning methodology of SNASPE; implementation of conservation strategies in SNASPE units
	Action Framework for Community Participation in the Management of SNASPE	Implemented	Technical theoretical framework for updating the scope and mechanisms of citizen participation in the protected areas of the National System of State Protected Wilderness Areas (SNASPE).	Preparation or updating of management plans with the strengthened planning methodology of SNASPE.

Operational Policy	CONAF management instruments, in line with the MGAS requirements	Status in 2020- 2021 period	Description of prevention/mitigation measures	Related activities
	Manual for SNASPE staff with tools for managing socio-environmental conflicts in State wilderness protected areas	Implemented	Manual aimed at strengthening the institutional management of the Protected Wild Areas (ASP) administration teams in the prevention and management of these socio-environmental conflicts, through a series of proposed approaches and tools.	Implementation of conservation strategies in SNASPE units.
	Institutional strategy for training park rangers and ASP administrators	Implemented	Training in conflict management, negotiating of agreements, and respect for the knowledge and rights of indigenous peoples and local communities.	Implementation of conservation strategies in SNASPE units.
	Methodology for the Development of Community Forest Fire Prevention Plans	Implemented	The methodology establishes the objective of strengthening and improving the work of community participation in the prevention of forest fires through a series of technical recommendations and tools (annexes) that facilitate this process, including the creation of a community council, a checklist of community workshops and the validation of the draft plan with the community.	Program for community forest fire preparedness; preparation of community protection plans in risk areas
	Indigenous Peoples Planning Framework (IPPF) and Indigenous Peoples Plan (IPP)	Implemented	Instruments that are territorially limited to Priority Intervention Areas and Pilot Areas, so that the projects are developed through a process that incorporates aspects such as respect for dignity, culture, ways of life and the rights of indigenous peoples that live there, which is made effective through community participation in the project, appropriate distribution of social and economic benefits, and the identification of possible adverse effects to avoid them, reduce them as much as possible, or at least ensure their mitigation and/or compensation.	Sustainable land management (SLM) pilot project of the ENCCRV
	Mapuche Intercultural Forestry Model (MOFIM by Spanish acronym)	Implemented	Serves as an intercultural tool that contributes to the management and/or planning of the Mapuche territory, combining their worldview, knowledge and cultural practices with technical knowledge, thus ensuring the development of	Sustainable land management (SLM) pilot project of the ENCCRV

Operational Policy	CONAF management instruments, in line with the MGAS requirements	Status in 2020- 2021 period	Description of prevention/mitigation measures	Related activities
	culturally relevant activities that contribute to good living and a balance with the environment.			
OP 4.11 Physical Cultural Resources	Manual for Management Planning of SNASPE Protected Areas	Implemented	Establishes the guidelines associated with zoning and territorial analysis, cultural conservation and human well-being, community participation aspects, analysis of vulnerability to climate change, the logical framework matrix, operational plans, and monitoring, among others, in order to ensure the protection of the ASP.	Preparation or updating of management plans with the strengthened planning method of SNASPE
	Action Framework for Community Participation in the Management of SNASPE	Implemented	Technical theoretical framework for updating the scope and mechanisms for citizen participation in the protected areas of the National System of State Protected Wilderness Areas (SNASPE).	Preparation or updating of management plans with the strengthened planning methodology of SNASPE
	Implementation of Conservation Strategies in SNASPE units	Implemented	Training in conflict management, negotiating agreements, and respect for the knowledge and rights of indigenous peoples and local communities.	Implementation of Conservation Strategies in SNASPE units
	Management plan forms	Implemented	Set of norms and technical requirements associated with management, voluntary management of forestry activities, and conservation of native forest.	Management plans awarded grants
	Mapuche Intercultural Forestry Model (MOFIM)	Implemented (ENCCRV pilot projects)	Intercultural tool in order to contribute to the management and/or planning of the Mapuche territory, combining their worldview, knowledge and cultural practices with technical knowledge, thus ensuring the development of culturally relevant activities that contribute to good living and a balance with the environment.	SLM pilot projects of the ENCCRV

Operational Policy	CONAF management instruments, in line with the MGAS requirements	Status in 2020- 2021 period	Description of prevention/mitigation measures	Related activities
OP 4.12	Action Framework for Community Participation in the Management of SNASPE	Implemented	Technical theoretical framework for updating the scope and mechanisms for citizen participation in the protected areas of the National System of State Protected Wilderness Areas (SNASPE).	Preparation or updating of management plans with the strengthened planning methodology of SNASPE
resettlement C Si u	Implementation of Conservation Strategies in SNASPE units	Implemented	Training in conflict management, negotiating agreements, and respect for the knowledge and rights of indigenous peoples and local communities.	Implementation of Conservation Strategies in SNASPE units
	Management planning forms	Implemented	Set of norms and technical requirements associated with management, voluntary management of forestry activities, and conservation of native forest.	Management plans awarded grants

**Table 7** Institutional instruments containing prevention/mitigation measures linked to the environmental and social safeguards described in the MGAS. Source: Own elaboration based on information provided by CONAF technical management.

As can be seen in Table 7, the only instrument that has undergone modifications since the previous period and is in the process of being updated is the "Guide to good practices in tools to combat and prevent illegal logging activities and associated trade", so it was not used in the period for activities to control traceability and origin of wood products at collection centers and highway checkpoints, or in property inspections and compliance controls through SAT/LEMU. However, the activities were carried out in accordance with the requirements of the forestry regulatory framework, specifically Law No. 20,283.

During the reporting period, a new management instrument was developed, called "General guidelines for the Economic Reactivation Program", created by Memorandum No. 1539/2021, which contains the framework in which the activities will be carried out, the general, technical and administrative criteria, and a description of reporting and monitoring of activities associated with the economic reactivation program for small and medium-sized forest owners, <sup>39</sup> implemented as part of the initiatives of the government of Chile to stimulate the economy and job creation through the recovery of forest ecosystems.

Another aspect worth highlighting is the national preventive approach to address OP 4.12 in the ENCCRV. This means that the activities that could require physical resettlement of individuals or families are excluded. In addition, with respect to the economic activities that could be affected, these are identified in the Environmental and Social Assessment process and are managed through participatory processes, seeking to reach agreements with those who practice the activity, thus avoiding involuntary resettlement of economic activities.

2.2 Confirm if entities responsible for implementing the Safeguards Plans maintain consistent and comprehensive records of ER Program activities such as records of administrative approvals, licenses, permits, documentation of public consultation, documentation of agreements reached with communities, records of screening process, due diligence assessments, and records of handling complaints and feedback under the Feedback and Grievance Redress Mechanism (FGRM).

In terms of the records associated with the activities of the Emissions Reduction Program, as with the 2018-2020 period all the activities carried out by CONAF and funded by the national budget have their respective management indicators within the Institutional Management Information System (SIGI). Therefore, there are complete records linked to the management instruments and mitigation/prevention measures of the MGAS , which include: i) letters of commitment from beneficiaries, ii) attendance records for training and technical assistance activities, iii) Forest Management Plans, iv) results reports, v) minutes of meetings and field logs, among others.

This information is reviewed and validated by the Regional Management Control Officers, with the objective of identifying the main differences between the plans and results achieved, which is reflected in regional results reports that, after being reviewed and summarized, can be used to generate a consolidated results report at the national level. If any differences between planning and actual progress are identified, an institutional SIGI follow-up report is developed that contains the relevant corrective action measures.

Regarding the implementation records of the ENCCRV pilot projects, annual, semi-annual and closing reports on the implementation of the MGAS (Safeguards Plan) were developed, including the procedures and means of verification used. The main reports developed to inform the status of compliance with the safeguards include:

Sustainable Land Management Project (PMST): i) Final Report on Environmental and Social Safeguards (July 2021), which includes the status of compliance with the prevention/mitigation measures established in the MGAS and linked to the OP/BP throughout the entire project execution period, ii) Semi-annual reports on safeguards No. 5, 6 and 7, corresponding to the five project implementation regions, which

<sup>&</sup>lt;sup>39</sup> National Program implemented in 2021 by CONAF within the framework of the Temporary Emergency Fund - Law 21,288, More information available at: <a href="https://www.conaf.cl/wp-content/uploads/2015/12/Reactivaci%C3%B3n-Econ%C3%B3mica.pdf">https://www.conaf.cl/wp-content/uploads/2015/12/Reactivaci%C3%B3n-Econ%C3%B3mica.pdf</a>

<sup>&</sup>lt;sup>40</sup> SIGI corresponds to the information system designed for the measurement of institutional performance, with the purpose of carrying out controls, monitoring, and evaluations of the results of institutional management.

include the analysis and identification of risks associated with implementation activities and their respective prevention or mitigation measures, in addition to the means of verification such as meeting minutes, attendance lists, and photographic records, among others.

- UN REDD National Program: At the close of the program in September 2021, five regional closure reports
  were developed that analyzed compliance with the safeguards and the lessons learned in their
  implementation, in accordance with the provisions of the MGAS of the ENCCRV and specifically regarding
  the UN REDD guidelines associated with Free Prior and Informed Consent (FPIC) and the incorporation of
  the gender approach in the program. These reports included the relevant means of verification, such as
  meeting minutes, progress reports, photographs, and videos, among others.
- +Bosques Project: During the reporting period, two Annual Progress Reports (APR) were submitted to the
  Green Climate Fund (GCF), which updated the status of progress in terms of technical and budget execution,
  as well as providing a summary of all the activities and prevention/mitigation measures taken within the
  framework of compliance with both the ENCCRV MGAS and the Social and Environmental Management
  Framework of the project.

In general, these reports provide information on the socio-environmental context, training and implementation activities in the territory, by presenting an analysis of safeguards that includes: a description of management measures, associated instruments, the names of those responsible for implementation, effectiveness evaluations, supporting documents for the verification of prevention and/or mitigation measures, conclusions and lessons learned. This information will be made available to auditors and the general public through the ENCCRV website (www.enccrv.cl) after obtaining the necessary authorizations from the organizations that financed the projects.

2.3 Summarize the extent to which environmental and social management measures set out in the Safeguards Plans and any subsequent plans prepared during Program implementation are implemented in practice, the quality of stakeholder engagement, as well as whether field monitoring and supervision arrangements are in place.

The use of the management instruments has been continuous and effective within the 2020-2021 period, confirming the correct implementation of the social and environmental mitigation/prevention measures contemplated in the MGAS in line with the national framework laws and regulations. In addition, aside from those mentioned in the MGAS, no additional provisions or actions have been identified that have required follow-up or supervision after the reporting period.

In a complementary manner, and in line with the implementation of the prevention/mitigation measures established in the MGAS, information was reported regarding the relevance assessment of entry of ENCCRV projects into the Environmental Impact Assessment System (SEIA).<sup>41</sup> For example, during the reporting period (2020-2021) in the territory between the Maule and Los Lagos Regions, a total of three admission procedures of entry to the SEIA were carried out by CONAF, which were registered by the Environmental Assessment Service (SEA) according to the typology associated with clause "p" of article No. 10 of Law No. 19,300, as listed below:

- +Bosques Project, Los Lagos Region: Control and restoration of dunes in the Chiloé National Park.
- +Bosques Project, Los Lagos Region: Restoration of ecosystems invaded by Cytisus spp. in the Vicente Pérez Rosales National Park.

<sup>&</sup>lt;sup>41</sup> Within the framework of Law No. 19,300 on the General Bases of the Environment, the SEIA functions as a preventive instrument, since it ensures the correct evaluation, identification and implementation of mitigation prevention measures related to various topics, such as: physical cultural heritage, indigenous peoples, sustainable forest management, critical natural habitats, management of chemical substances, and citizen participation, among others.

• UN REDD National Program Project, La Araucanía Region: Restoration through the execution of sowing and mixed modules in the China Muerta National Reserve.

DIA to the Environmental Impact Assessment System, since the projects do not present the conditions to generate significant environmental impacts. Therefore, no specific monitoring actions are required for these initiatives.

Finally, the monitoring of the initiatives of the ENCCRV is carried out at two main levels. First, there is the monitoring and supervision carried out by the National Safeguards Team on an ongoing basis and through the development of follow-up forms, checklists, standard formats for safeguards reports and on-site technical support visits. Second, there is the monitoring, evaluation and registration activities of safeguards management activities carried out by the regional teams through the relevant Environmental and Social Management Plan (ESMP), in accordance with the provisions of section 4.3.3 of the MGAS, either directly in terms of activities carried out by CONAF professionals or indirectly regarding activities carried out by contractors or subcontractors.

2.4 Confirm that the FGRM is functional, supported with evidence that the FGRM tracks and documents grievances, is responsive to concerns, complaints or grievances.

During the reporting period, the ENCCRV's Complaints and Suggestions Mechanism (CSM)<sup>42</sup> has continued to operate through the Public Environmental Information System (SIAC), in particular through CONAF's Information, Complaints and Suggestions Offices (OIRS), which is the official channel through which the beneficiaries, and the public in general, can send their comments, complaints, observations and suggestions related to the risks and impacts that could be affecting them, either due to the actions implemented within the framework of the results-based payment phase of the ENCCRV, as well as the other programs executed by CONAF. From a broader perspective, the OIRS are part of the SIAC, which is an official State system designed so that all interested parties have access to public service channels, under the supervision and coordination of the Ministry General Secretariat of Government (SEGEGOB), including multiple access points and communication channels. Figure 15 shows the SIAC public service channels, including the OIRS.

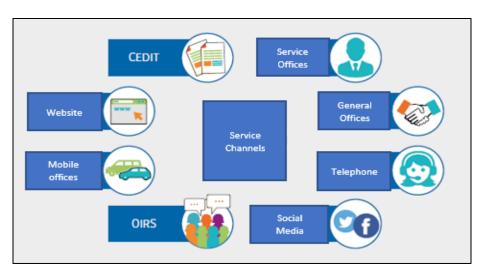


Figure 15 SIAC Service Channels. Source: CONAF, 2018.

During the reporting period, CONAF has responded to all the cases that have been entered through its internal systems that are part of the SIAC, and that fall under its purview, both in terms of the procedures and deadlines established under Law No. 20.880 on Administrative Probity (which regulates the transparency and the right of access to information of State Administration bodies). It should be noted that this law establishes response times,

<sup>&</sup>lt;sup>42</sup> See informative note N° 22 at <a href="https://www.enccrv.cl/nota-informativa-22">https://www.enccrv.cl/nota-informativa-22</a>

administrative procedures with traceability, and the specific responsibilities of the officials who, due to their positions or duties, must provide the information required by the users.

The following table shows the requests submitted to CONAF in the period 2020-2021 and which account for all its institutional work at the national level:

Topic of request	Total	M	F
Protected Wilderness Areas	7,627	13.9%	13.4%
Flora and fauna	461	0.8%	0.8%
Native forest	1,426	3.1%	2%
Forest plantations	505	1%	0.8%
Urban tree planting	5,023	8.1%	9.8%
Forest fires	559	1.2%	0.8%
Phytosanitary control	40	0.1%	0.1%
Environmental evaluation	147	0.3%	0.3%
Forest statistics	63	0.2%	0.1%
Employment programs	506	1.2%	0.7%
Indigenous peoples	52	0.1%	0.1%
Environmental education	190	0.3%	0.4%
Forest legislation	1,293	2.9%	1.7%
Calls for job applications	845	2%	1%
Transparent government	171	0.4%	0.2%
News	159	0.4%	0.2%
Park rangers	740	1.8%	0.8%
Firewood	128	0.3%	0.2%
Volunteering	260	0.5%	0.5%
Professional practice	929	1.5%	1.8%
Others	3,846	6.9%	6.8%
Telephone exchange	240	0.4%	0.4%
Library	235	0.4%	0.5%
Controlled burns	1,207	2.4%	1.9%
Brigade members	457	1.3%	0.3%
Complaints about illegal logging	472	1%	0.7%
Climate change	81	0.2%	0.1%
Virtual office	304	0.7%	0.4%
TOTAL	27,966	53.4%	46.8%

**Table 8** Requests received by CONAF related to all its work areas in the national territory in the period 2020-2021. Source: OIRS CONAF, 2022.

For its part, Table 9 shows the information requests by type for this period, which also meet the condition of being related to the activities attached to the ERPA and that CONAF is promoting in the area from the Maule Region to the Los Lagos Region. All of these correspond to information requests related to the ENCCRV, among others related to climate change issues in general.

Type of request	Maule	Biobío	Araucanía	Los Lagos	Central	TOTAL
Query	4	1	2	7	30	44
Information request	1	0	2	0	7	10
Suggestion	0	0	1	0	1	2
Complaint	0	0	0	1	0	1
TOTAL	5	1	5	8	38	57

Table 9 Requests made in the period 2020-2021. Source: OIRS CONAF, 2022.

As can be seen in the previous table, which provides the information for the reporting period (2020-2021), a total of 57 requests were received, of which the majority were of the "Query" type (44), followed by 10 "Information requests", two "Suggestions" and only one "Complaint".<sup>43</sup> The topics most addressed were:

- Information requests to access the benefits of the ENCCRV (18)
- Information on Wilderness Protected Areas (12)
- Carbon credits (9)
- Environment, education and climate change (8)
- Safeguards Information System (1)
- Other Institutional topics (9)

The Central Office received the highest number of requests, although many of these were general inquiries, while at the regional level most of the requests were related to the Reforestation Programs of native plants. It is important to mention that none of the requests related to the ENCCRV were complaints from communities or beneficiaries regarding pilot projects and/or CONAF institutional activities.

Regarding the only complaint raised it is indicated that was made by a citizen, who reported a family member who was deforesting their family land, for which he requested the intervention of CONAF. The response given was that the institution could go to inspect according to Law 20,283, as long as the necessary data to approach the place was provided (name of the property, appraisal role, coordinates of the sector, name of the alleged offender). It is worth mentioning that this complaint is not directly linked to the action measures of the ENCCRV and its BSP.

#### 3. The objectives and expected outcomes in the Safeguards Plans have been achieved.

3.1 Assess the overall effectiveness of the management and mitigation measures set out in the Safeguards Plans.

It should be noted that both the prevention and mitigation measures of the MGAS, and those established on institutional management instruments, are aligned with the legal and regulatory framework described in section 3 of the MGAS. This enables their functionality to be linked with one or several OP/BP and thus, when evaluating the effectiveness of each instrument, determine to what extent it contributed to the achievement of each OP/BP.

In addition, considering the importance of evaluating the occurrence of impacts and their consequent mitigation measures as part of the overall effectiveness of the project, for each activity implemented between 2020 and 2021 a methodology was applied, based on expert opinion, which allowed the technical teams to validate whether the analysis of the impacts in the previous period (2018-2019) was maintained or if new impacts were identified, while also indicating what corrective or mitigation actions were taken. This information was recorded in survey-type digital forms, developed based on the data compiled in the previous period, as well as those risks and impacts described in

<sup>&</sup>lt;sup>43</sup> Complaint filed with the Los Lagos Regional Office in 2020, showing concern about the damage caused by agricultural burning to surrounding communities and its contribution to the climate crisis. In the course of four business days, the CONAF Regional Director responded, clarifying the regulations on prescribed burning (Supreme Decree No. 276 of the Ministry of Agriculture) and its application in agricultural properties.

the SESA of the ENCCRV. The information was then complemented and validated through interviews with the relevant authorities designated by each technical management unit.

Regarding the overall effectiveness of the project, and based on the background information described, it is concluded that the expected impacts and risks were adequately mitigated, based on the provisions of the MGAS and the World Bank's Operational Policies, including activities with national funding and international financing. However, it is important to note the appearance of anticipated impacts on the SESA during the reporting period and within the territory of the ERP. More detail of these risks/impacts, and their respective mitigation measures, is presented in section 4.

3.2 Are the arrangements for quality assurance, monitoring, and supervision effective at identifying and correcting shortcomings in cases when ER Program activities are not implemented in accordance with the Safeguards Plans?

The quality assurance, monitoring and supervision mechanisms established in the MGAS, and implemented by CONAF during the reporting period, include progress reports from the Institutional Management Information System (SIGI), compliance reports related to the Environmental and Social Management Plans (ESMP), periodic reports on safeguards, field visits and reports, training and continuous monitoring of all requests made through the ENCCRV's CSM.

The implementation of these monitoring and supervision activities was carried out by the National Safeguards Team, with the support of professionals from the region, and it can be verified that these arrangements were effective in identifying and correcting deviations related to the application of the ESMF measures, and other institutional management instruments, during the implementation of ERP emissions reduction activities.

In addition, although one of the monitoring and supervision mechanisms to identify deviations or situations where the MGAS prevention/mitigation measures have not been implemented corresponds to the framework of social and environmental indicators integrated into the Safeguards Information System (SIS), as of December 2021 this system did not have enough information to account for the effectiveness in the implementation of the safeguards, mainly because the system was in a trial period. It is expected that more information and results will be available for future reporting periods.

3.3 Describe the supervision and oversight arrangements to ensure that the Safeguards Plans and, if any, subsequent environmental and social documents prepared during Program implementation are implemented. Are these supervision and oversight arrangements effective (e.g., provide meaningful feedback mechanism to implementing entities to allow for corrective actions)?

As previously mentioned, the quality monitoring and supervision provisions established in the MGAS and implemented by CONAF during the reporting period mainly comprise periodic reports on safeguards, field visits and reports, training, and continuous monitoring of all requests made through the CSM of the ENCCRV.

Program activities present emerging environmental and social risks and impacts not identified or anticipated in the Safeguard Plans prepared prior to ERPA signature.

- 4 Program activities present emerging environmental and social risks and impacts not identified or anticipated in the Safeguard Plans prepared prior to ERPA signature
  - 4.1 Is the scope of potential risks and impacts identified during the SESA process continue to be relevant to ER Program activities?

Considering the experience obtained in the implementation phase of the ENCCRV, for the activities carried out in the ERP regions in the period 2020-2021, the MGAS continued to be used as an analysis and reference instrument.

However, the report of the Strategic Environmental and Social Assessment (SESA)<sup>44</sup> was also used, which, as mentioned in the previous report, contains the risks and potential impacts on the vegetation resources targeted by the ENCCRV actions that were identified during the participation process that included all the relevant sectors, beneficiaries and interested parties. In conclusion, both the MGAS and the SESA continue to be the most important instruments to determine the scope and type of risks facing the emissions reduction activities. As mentioned in the previous safeguards report, the evaluation and monitoring of technical activities has made it possible to assess risks and strengthen their analysis, which will be carried out through the Safeguards Information System going forward.

4.2 During implementation, has any ER Program activities led to risks or impacts that were not previously identified in those Safeguard Plans prepared prior to ERPA signature? If so, what are the proposed actions to manage such risks and impacts that were not anticipated previously?

As mentioned in point 3.1 of this document, CONAF's National Safeguards Team (ENS) designed a specific methodology that allowed the technical teams that work in the territories to analyze the occurrence of impacts based on the Environmental and Social Management Framework (MGAS) and the list of risks and potential impacts in the SESA. It should be noted that this analysis, both for the previously reported period and for the current reporting period (2020-2021), corresponds to the activities carried out through the institutional management instruments executed by CONAF, and which are part of its normal responsibilities. It should be noted that all these activities carried out by CONAF are in line with the existing provisions and regulations related to the environmental and social aspects of the OP/BP that have been activated under the ENCCRV.

The analysis carried out generated the results shown in Table 10, where the activities that contributed to the reduction of emissions are reported, along with the respective risk or unanticipated impact for the specific emission reduction activity, and the actions that were considered for prevention/mitigation.

<sup>&</sup>lt;sup>44</sup> Strategic Environmental and Social Assessment (SESA) of the National Strategy for Climate Change and Vegetation Resources of Chile – ENCCRV, CONAF 2016. <a href="https://www.enccrv.cl/sesa-final">https://www.enccrv.cl/sesa-final</a>

Activity	Potential unanticipated risk	Prevention/mitigation measure
Preparation of management plans with the strengthened planning methodology.	<ul> <li>(1) Impact on the life systems of people, local communities, and indigenous peoples due to land use restrictions (for example, restrictions on livestock farming, agricultural activities, tourism etc.).</li> <li>(2) Cancellation or restriction of productive initiatives in the SNASPE that must cease or limit their activities according to the Management Plan.</li> </ul>	<ul> <li>(1) The Protected Areas Management Planning Manual establishes that public participation, especially the participation of indigenous peoples, is a key pillar for decision-making regarding land use, zoning, and regulations applicable to an ASP.</li> <li>(2) Other opportunities for the generation of income are generated that are compatible with the protection of wilderness areas.</li> </ul>
Implementation of Conservation Strategies in SNASPE units.	(1) The population rejects the development of activities in the framework of conservation strategies associated with the control or eradication of invasive exotic animal and plant species (beaver, mink, rabbit, blackberry and murta, among others.) or the development of actions associated with the strategy of responsible pet ownership.	<ul> <li>(1) Socialize the themes through education strategies for conservation or dissemination of key ideas through social media.</li> <li>(2) Discuss and exchange opinions in SNASPE's existing participation spaces (Advisory Council, work groups, etc.).</li> </ul>
+Bosques Project of the ENCCRV.	(1) Lack of alternative incomegenerating activities and loss of economic opportunities for local communities and indigenous peoples due to changes in territorial planning.	(1) Strengthening of capacities and institutional instruments linked to Free Prior and Informed Consent in order to socialize and inform the local population about the objective and scope of the planned activities and receive recommendations and feedback from local actors to reduce the risks and negative impacts. To this end, the Mapuche Intercultural Forestry Model (MOFIM) has been widely disseminated as a methodological tool for developing participatory activities with local communities belonging to indigenous peoples.

**Table 10** Potential risks not previously identified and actions for their management. Source: Own elaboration based on information provided by CONAF 2022 Technical Management Unit.

Finally, although the activities of the ERP led to the identification of new potential risks that should have been included in the management of the safeguards, it is confirmed that there were no significant impacts during the reporting period in the territory from the Maule Region to the Los Lagos Region.

#### 5. Corrective actions and improvements needed to enhance the effectiveness of the Safeguards Plans

#### 5.1 Provide a self-assessment of the overall implementation of the Safeguards Plans

In the context of the development of this report, and during the updating process of some issues within the framework of institutional management, it became evident that the gaps in relation to the objectives of the MGAS include the following:

OP/BP	Gap with the MGAS	Progress in addressing the gap
4.01	The national legislation related to forestry projects only requires the entry into the Environmental Impact Assessment System (SEIA) of projects covered under article 10 of Law No. 19,300 on General Bases of the Environment and its modifications. These are projects related to the development of commercial forestry operations on vulnerable soils and land covered with native forest (as defined in article 3, clause m of the General Regulation DS No. 40/2012).	Prior to the execution of projects that are executed within State Protected Wilderness Areas (ASP), the Environmental Evaluation Service (SEA) must be consulted regarding whether the project should be entered in the SEIA, under the technical indications established by the environmental regulations, or be executed under the norms and guidelines established in the respective Management Plans of the relevant ASP.
4.04	Specific environmental assessment measures are not established in national legislation, beyond the description of the area of influence in a DIA or EIA, for those natural habitats that are not covered by any category of environmental protection within the SEIA or that are not subject to significant alterations that require entry to the SEIA, through any of the clauses in article 10 of Law No. 19,300 and its Regulations, article 3 of D.S. No. 40/2012.	During the period of this report, when carrying out the characterization of the biotic environment of the areas of influence of the projects where ecosystems that present some degree of threat were identified, it was proposed to establish conservation actions with the objective of reducing these threats and promoting their protection and/or recovery. To this end, species of native flora that are in some category of conservation and are part of these ecosystems were identified, establishing that they must not be affected by the logging, elimination and/or destruction of their habitat, soil removal activities or other actions that generate alterations of their habitat.
4.36	As indicated in OP 4.01, the national legislation referring to forest projects only requires that commercial forestry development projects or activities be submitted to the SEIA, according to article 3, clauses m) and m1), D.S N°40/2013.	As in the report of the previous period, the interventions for the use of native forest carried out within the framework of Law No. 20,283 were formulated under the concept of sustainable forest management, which involves presenting Forest Management Plans to avoid the conversion or significant degradation of critical areas. All interventions were evaluated, approved and verified in the field by CONAF professionals.

 Table 11 Summary of MGAS gap analysis, adjusted for reporting period. Source: Own elaboration based on the MGAS.

The MGAS, as CONAF's basic instrument to address the challenges of social and environmental management of projects that are carried out in the context of the ENCCRV, seek to strengthen knowledge and guide the actions of technical teams in the territories, in order to help avoid potential risks and impacts that could be generated by the

implementation of activities that aim to reduce emissions. However, the simple approval of this instrument cannot be considered sufficient and must be understood as part of a continuous process to institutionalize this issue. In this regard, it is noted that CONAF is permanently making important efforts such as capacity development, integration of procedures, and institutional arrangements, among others.

Considering the plans for the 2020-2021 period based on the period previously reported, it should be noted that some of these were incorporated into the execution of activities implemented with the state budget. However, a joint analysis must be carried out by the technical management units and the national safeguards team to outline a roadmap that, based on the assumption of continuous improvement, could involve updating the MGAS<sup>45</sup> with the aim of addressing both the gaps detected, as well as strengthening the capacities of the technical teams. This would help to improve CONAF's existing policies, manuals and procedures, as well as progressively institutionalizing the issue of safeguards management. More details regarding these actions will be presented in the next report.

It should also be noted, as has been highlighted throughout the report, that other initiatives were implemented in the same regions of the Emissions Reduction Program during the period 2020-2021, but financed by international sources other than the ERPA, such as the case of resources of the Green Climate Fund (+Bosques Project). In these cases, the guidelines established in the MGAS have been applied, specifically those corresponding to risk analysis and their respective prevention measures as part of the design of technical activities and their eventual evaluation and monitoring. In this regard, the activities implemented, in addition to adopting the necessary respect for safeguards, have become part of the experiences that will contribute to the roadmap that will strengthen the MGAS to make it an effective and practical tool for all activities executed by CONAF.

5.2 List any corrective actions and areas for improvements. Take care to distinguish between: (i) corrective actions to ensure compliance with the Safeguards Plans; and (ii) improvements needed in response to unanticipated risks and impacts

Regarding the proposed modifications and improvements of the institutional management of safeguards and their related instruments presented in the report for the 2018-2019 period, below is a summary of their current state of progress:

- ✓ In relation to institutional management that incorporates safeguards guidelines, there is still a need to evaluate current management instruments and their degree of relevance to the objectives of the MGAS, in order to strengthen the institutionalization of this framework through the explicit interaction of safeguards requirements within the existing protocols or procedures. In this regard, progress on the implementation of the specific roadmap for this action will be presented in a future report.
- ✓ Regarding the strengthening of institutional capacities for the implementation of the MGAS, during the reporting period progress was made in the implementation of the virtual institutional training course on environmental and social issues related to safeguards.
- ✓ Regarding the strengthening of institutional arrangements, the following are two relevant aspects: i) within the framework of the +Bosques project, progress was made with the hiring of professionals at the central and regional levels in order to strengthen the monitoring and supervision tasks related to the implementation of safeguards and their management frameworks, including the MGAS of the ENCCRV; ii) to date, although professionals are formally designated to serve as counterparts to the National Safeguards Team within each of CONAF's technical departments, they continue to fulfill this responsibility as part of

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<sup>&</sup>lt;sup>45</sup> For the report corresponding to the 2022 period, the results referring to the national survey of institutionalization of the EFMS will be presented, in which some aspects to be strengthened have been preliminarily identified, such as the National Approach to Safeguards and the inclusion of technical guidelines related to the incorporation of the gender approach in projects of the ENCCRV.

- their existing roles and not as an exclusive responsibility inherent to a specific position within the institutional organization chart.
- ✓ Regarding the implementation of the Safeguards Information System, although its development and respective user manuals were completed during the reporting period, it is expected that in 2022 it will be consolidated as a safeguards management tool for the regional teams, with the strengthening of its operational and functional aspects.
- ✓ In relation to the support in the field provided by the National Safeguards Team, due to the reduction of mobility restrictions in the national territory, the field visits began during the reporting period, prioritizing those regions where there had been the most progress in implementation within the framework of the +Bosques project, specifically in the pilot projects in the Maule Region (2 visits) and Ñuble Region (1 visit).
- ✓ Finally, and in relation to the socialization of safeguards with the communities and beneficiaries through the dissemination of information in the mass media, this activity still needs to be carried out at a deeper level, which is expected to occur in 2022 with the end of the restrictions due to the COVID-19 pandemic.
- 5.3 Describe the timeline to carry out the corrective actions and improves identified above.

Not applicable.

# ANNEX 2: INFORMATION ON THE IMPLEMENTATION OF THE BENEFIT-SHARING PLAN

#### I. Requirements of FCPF on Benefit Sharing Plans

The BSP was developed through a participatory process that ended in 2020. In this process, three preliminary versions of the BSP were published before the signing of the ERPA, while in June 2021 the fourth version of the BSP 46 was published as part of the conditions of effectiveness of the ERPA.

To develop the plan, the system relied on various instances of technical collaboration and participation at the national and regional level. The first guidelines of the system come from the participatory formulation process of the ENCCRV. This was based on the Plan for the Implementation of Social and Environmental Safeguards for Public, Indigenous Consultation and Self-assessment of the ENCCRV (1). This process, as well as its results, have been detailed in the final document of the ENCCRV and in various audio-visual records that present, among other things, its formulation process and field experiences in the regions.

To strengthen the fourth version of the BSP, a consultation process was designed in the ERP regions divided into two stages, one carried out in 2019 and the other in 2020. The main objectives of both stages are to validate the approaches of previous versions related to governance and resource allocations channeled through the BSP. This process ensures the transparency of the process of developing the system, as well as contributing to the dissemination of the ENCCRV and Chile's ERP in the regions of the program.

The evolution of the BSP in relation to the ERPD and previous versions has been to develop its structure and play a greater role in decision-making at the regional level. One result of the participatory processes of the BSP was to replace the Regional Climate Change Committees (CORECC), initially identified as regional coordinators of the ERP, with the regional REDD+ Groups. These groups, in addition to including the participation of indigenous peoples, academia and the private sector, will allow the incorporation of elements and criteria specific to this sub-national scale.

Other adjustments correspond to the definition of the beneficiary groups, and the better identification of the BSP's implementation risks with a territorial vision. Regarding financing, it was decided to offer only non-monetary benefits, equivalent to 80 percent of the financing from results-based payments received by the country, divided equally between two distribution modalities: public tenders and prioritized projects. In addition, three categories of financing allocation among the program regions were validated as follows:

- i) Basal allocation (50%), based on the principle of equity, which will allow resources to be distributed equally in each of the program regions;
- ii) Allocation for performance (20%), based on the principle of effectiveness, which will be distributed in accordance with the reductions generated at the regional level; and finally,
- iii) Allocation for the mitigation of negative impacts (10%), which will be channeled to those regions that experience events that have negatively impacted their performance in the reductions generated during the reporting period.

Along with the definition of this structure, five cross-cutting variables were also validated that will guide the decision-making of the regional REDD+ Groups in the selection of projects in the territory. These are:

- i) Ecosystem, which guides actions for the conservation and sustainable management of forests;
- ii) Indigenous peoples, which will prioritize actions that address the social and cultural vulnerability associated with indigenous peoples;

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<sup>&</sup>lt;sup>46</sup> Available at: <a href="https://www.enccrv.cl/sdb-ingles-4ta-version">https://www.enccrv.cl/sdb-ingles-4ta-version</a>

- iii) Gender, to enhance the different roles played by women in forestry development;
- iv) Territorial, which includes aspects related to rural development of small territorial units; and
- v) Socioeconomic, seeking actions that reduce social and economic vulnerability associated with potential beneficiaries.

The fourth version of the BSP defines that projects using both distribution modalities will be evaluated through the evaluation mechanism, which has been developed based on these cross-cutting variables.

#### **II. Monitoring and Reporting Requirements**

#### 1. Benefit Sharing Plan Readiness

1.1 Confirm that the BSP has been completed and endorsed by all relevant parties. Are there any aspects of the BSP which remain unclear or require further review of endorsement by beneficiaries or other stakeholders? Has the BSP been made publicly available?

Between June and July 2019, five face-to-face workshops were held in the Maule, Biobío, La Araucanía, Los Ríos and Los Lagos Regions in order to inform and discuss opinions, visions and concerns in relation to the BSP. The workshops were attended by 157 representatives from multiple sectors of civil society. Of these, 19 percent of the participants belonged to indigenous peoples and 36 percent were women. This stage was coordinated by DCCSE, UAIS and the teams from each region, which planned the activities and updated the map of stakeholders to ensure the participation of key representatives of the territory. The main comments focused on: i) limits on regional governance which could generate inconveniences in decision-making due to insufficient levels of representation; ii) risk in the management of the Plan generating inadequate targeting, planning and use of resources; and iii) risks in the execution of activities that could cause environmental, social and operational impacts due to lack of technical capacity on the part of the owners and CONAF.

The participatory process in 2020 was intended to strengthen the process carried out in 2019, in order to validate the results obtained and reach additional agreements on aspects of governance, decision-making, risk management of BSP implementation and execution of projects in the territory. For its execution, a preparation and planning process was carried out, which consisted of two stages:

- 1. Design and development of the tools, materials and methodological guidelines necessary for the execution of the workshops in virtual modality, considering the context of the COVID-19 pandemic.
- 2. National training workshop on aspects of focus group methodology, facilitator and secretary roles, among others. This workshop was attended by approximately 38 professionals from central CONAF and regional teams.

As a result, between November 30 and December 3, 2020, a total of 13 workshops were held, distributed between the Maule Region and the Los Lagos Region, with the total participation of 328 people, of whom 45 percent were women and 21 percent belonged to indigenous peoples. These workshop provided opportunity to group the participants in nine (9) social sector groups, applying small modifications such as the re-labeling of the "public sector" group from 2019, as the "institutions" group. The "social entities" group was re-arranged, considering the representatives' interests, sending some to the small and medium landowners group and others to the NGOs group. The most significant change was that the "indigenous women and small-scale female owners" group was explicitly defined.

- indigenous women and small-scale female owners,
- indigenous peoples,
- academic sector,
- Institutions

- consultants and extension workers,
- NGOs,
- private sector,
- CONAF staff,
- small and medium landowners,

Finally, the fourth version of the BSP, which had a substantial contribution from the results of the participatory processes held in 2019 and 2020, was published in 2020. It is planned to enter into full implementation in 2022 with the launching of the first version of the BSP public tender. Prior to that, according to the established participatory process methodology, the development of a new stage of informative workshops based on the regional stakeholders maps to disseminate and presentation of agreements and results arising from the 2019 and 2020 workshops on the BSP was held in 2021. Between March 3 and 12, 2021, 6 regional workshops and 1 national session were held, with the total participation of 515 people, of whom 46 percent were women, and 5 percent were women and men from indigenous peoples. These events took place simultaneously with the beginning workshop of the +Bosques project and included the participation of authorities and representatives of civil society, national NGOs among others. The national-level session was intended for representatives of organizations from civil society, academia and officials from MINAGRI services and national level institutions. The 6 regional workshops were intended for representatives of the territories, including rural landowners, communities, indigenous peoples, civil society organizations, academia and officials from MINAGRI services and institutions at the regional level.

1.2 In cases where capacity building initiatives have been included as part of the BSP, confirm whether the Program Entity has completed required capacity building measures to ensure system effectiveness. What other measures are still outstanding?

During the process of <u>formulating the ENCCRV</u>, workshops were held with various sectoral actors on REDD+, the ENCCRV and the first approaches and inputs considered necessary to develop the BSP. These workshops were run by the UAIS of CONAF within the framework of SESA. An important number of these training activities have focused on the CONAF implementation teams at the regional and central levels. The main topics that have been addressed correspond to environmental and social safeguards, the SIS, and the BSP. On this last point, national training sessions were held during <u>May 2019</u> to generate better capacities related to the BSP in CONAF, and properly conduct dissemination processes in the regions of the program.

The CONAF Central Office will oversee the communication of the BSP prior to its implementation and in the future. The activities to be carried out will be focused on the dissemination of the modalities of distribution of benefits, the selected projects and their monitoring, together with reporting the national results of the BSP. In addition, a series of activities have been established to raise awareness and strengthen the capacities of key actors in the forestry and environmental sector in Chile related to the BSP. Thus, for example, in December 2018 and June 2019, the CONAF COSOC was informed of the progress status of the ENCCRV and the process of payments for REDD+ results linked to the BSP, respectively. In addition, in June 2018, the BSP was presented and validated by the CTICC, which brings together all government services in the forestry and agriculture sector to advise MINAGRI on the impacts of climate change.

In accordance with the BSP Communication Plan, critical elements have been identified that must be addressed in future training workshops. These elements involve: i) incorporating the diversity of potential beneficiaries in the plan; ii) identifying the most beneficial projects in each region of the program; and iii) raising awareness about the importance of REDD+ actions and related national initiatives. These training activities will be aimed mainly at potential beneficiaries at the regional level, which must address the operation of the BSP and its links with the implementation of activities associated with the Direct Action Measures (MDA, according to its acronym in Spanish) of the ENCCRV. Additionally, educational and informative material must be provided to strengthen the capacities and participation of the different actors in the territory, as well as a series of additional training sessions that facilitate the operation of the BSP. For example, since the regional REDD+ Groups will be responsible for resolving

any dispute that may arise regarding the implementation of the BSP, their members will be trained in the evaluation and approval or modification of the proposals.

1.3 Where relevant, confirm whether any agreed changes to the benefit sharing arrangement identified during the previous reporting period have been completed.

Since this report corresponds to the second reporting period (2020-2021), and there are no modifications, the implementation of the BSP will begin in 2022.

#### 2. Institutional Arrangements

2.1 Confirm that the agreed institutional arrangements under the BSP are in place and that implementing entities are appropriately resourced to carry out their respective responsibilities.

CONAF will be responsible for the administration of the BSP in its capacity as REDD+ focal point, and as the entity responsible for the development of the forestry sector at the national level. The BSP will be coordinated at the central level by the DCCSE through the preparation of a National Technical Proposal (PTN) that will contain the guidelines for the execution of field actions, associated financing and technical procedures. Prior to its presentation to the regions, the PTN will be reviewed, improved, and validated by the CTICC, which represents 11 government institutions in the forestry, agriculture and livestock sector, and then socialized by the COSOC, which is composed of 11 representatives of sectors of civil society related to CONAF.

The regional BSP process will be managed by the CONAF Regional Directorate on the basis of a Regional Technical Proposal (PTR) based on the approved PTN. In each region, the Regional REDD+ Group will be coordinated and chaired by the Technical Coordinator of MINAGRI's Regional Technical Committee on Climate Change (CTR-CC), which is made up of the regional focal points of the ministry's institutions. This REDD+ Group will lead the regional implementation process of the BSP with the technical and administrative support of the CONAF Regional Directorate, which will act as the technical and administrative secretariat of each group. Once there is a PTR approved and validated by the REDD+ Group, it will be disseminated through the Regional Climate Change Committees (CORECCs), which are key elements in the regional climate change operational structure. The composition of each REDD+ Group will vary according to the reality of each region, and its creation will be the responsibility of the Ministerial Regional Secretary (SEREMI) for Agriculture, which represents MINAGRI in each region. In addition to the SEREMI for Agriculture, the institutions that will make up this group will include the SEREMI for the Environment, the Forestry Institute (INFOR), the Institute for Agricultural Development (INDAP), the Livestock Agricultural Service (SAG), municipalities, and NGOs. The SEREMI for Agriculture must ensure the participation of all relevant local actors in the group, which must include at least 30 percent women and indigenous peoples (if they are present in the territory). Other groups that are identified as important at the regional level may be incorporated in each new financing phase.

These entities were created as a result of the participatory process of the BSP. During this process, the need to have regional technical committees linked to forests and climate change was identified, with the capacity for analysis and decision-making to incorporate elements and criteria specific to this sub-national scale.

2.2 Confirm that any regulatory or administrative approvals required for implementing the BSP have been obtained.

The BSP has been designed based on the existing Chilean legal framework, which also supports the implementation of the Chilean ENCCRV. No regulatory adjustment to current environmental or forestry regulations is required to implement the BSP.

2.3 Assess whether all BSP stakeholders (beneficiaries and administrators) clearly understand their obligations, roles and responsibilities associated with the BSP. This assessment could be based on, for example, findings

and feedback received during field implementation support missions, during interviews with beneficiaries, issues raised through public consultation meetings, beneficiary monitoring or grievance mechanisms.

The institutions and stakeholders involved in the BSP understand their roles and functions associated with the implementation of the ENCCRV and operation of the plan. CONAF has maintained constant communication with stakeholders at the national and regional levels in order to involve them in the process of developing the system. Thanks to the adjustments and validations of the BSP by the related institutions, this process has facilitated the creation of a transparent instrument, which ensures an effective and pertinent execution of both financial and technical aspects. In terms of civil society, some stakeholders initially warned of the existence of a significant degree of uncertainty, due to the lack of representativeness of relevant technical organizations and actors, which resulted in the creation of the Regional REDD+ Groups.

The level of representation and involvement of regional stakeholders in the participatory process of the BSP is demonstrated by the fact that clear roles and responsibilities associated with its operation were agreed, which will in turn facilitate the identification of opportunities and challenges to improve the governance and implementation of the plan. These challenges will be addressed in the BSP Communications Plan and the permanent improvement of the institutional arrangements based on the BSP Operational Manual (MOP).

2.4 Confirm that a system is in place for recording the distribution of benefits and associated obligations to eligible beneficiaries. For example, are payment information systems, payment tracking and monitoring systems, bank accounts, accounting and financial control mechanisms, and payment modalities in place and functional?

The development of the ERP will be led by three main entities: the Forestry Institute (INFOR), which is responsible for administering the financial resources; the Agency for International Development Cooperation (AGCID), as the entity that receives the resources, and CONAF as the technical entity that will be in charge of implementing the BSP. Under this institutional framework, a system for registering the distribution of benefits and the obligations associated with the beneficiaries will be used, which is based on the Manual of Administrative and Financial Procedures of the ENCCRV, the internal manuals of CONAF, the MOP of the ERP (in development), and the internal INFOR manuals that describe the procedures that will apply, when appropriate, to the BSP.

For the operational implementation of the BSP, CONAF has developed a web-based software tool where eligible beneficiaries can apply to receive a benefit. This tool is an open source developed system operated by the DCCSE, which has been available from 2022 onwards. The tool is publicly accessible through a website available at www.concurso.enccrv.cl and has the functionality to register and record the beneficiary's information and the benefit represented by the forestry activities to be developed on the ground.

The tool is currently operational in the ERP regions of Chile, from Maule to Los Lagos. For the years 2022 and 2023, two operational cycles have been executed and a 3rd cycle is open for the submission of applications from eligible beneficiaries for the implementation of the payments for results obtained by the ENCCRV from the Green Climate Fund. In the 2022 operational process, 496 projects applied for the BSP, 726 in 2023 and 422 in 2024. The activities are mainly related to forest management and forest fire prevention.

2.5 Confirm that agreed accountability mechanisms are in place and functional (e.g., stakeholder participation arrangements; agreed public information disclosure procedures; independent third party monitoring and or performance audit mechanisms; dispute resolution and grievance redress mechanisms.)

Currently, the following ERP mechanisms have been established that will operate in a coordinated and complementary manner with the BSP: i) the <u>National Forest Monitoring System</u>, which has been prepared in line with the <u>REDD+ Reference Levels of Chile</u> and the guidelines for the preparation of the <u>Technical Annex of Chile REDD+ Results</u>; ii) <u>Environmental and Social Safeguards Information System</u>; iii) <u>Complaints and Suggestions Mechanism</u>; iv) Environmental and Social Co-benefits Monitoring System, which is under technical discussion to clarify approaches and technical links with the ENCCRV, v) the Project Management System (PMS) for financial,

operational and monitoring management of the ENCCRV, which began its design during the second half of 2021, the BSP, and other systems.

For the purposes of this monitoring report, none of these mechanisms are formally working in coordination with the BSP because its implementation has not yet started for the ERP.

2.6 Confirm that the Feedback and Grievance Redress Mechanisms (FGRM) is functional to record and address feedback and grievances related to the implementation of the BSP. Confirm the number and types of grievance received and submitted to the FGRM and how and whether they were addressed.

Chile's Complaints and Suggestions Mechanism (CSM) is based on national institutions and legislation that facilitate timely access to information and the exercise of public rights. The results of the technical analyses and participatory processes identified that the Public Environmental Information System (SIAC) can be used as the CSM of the ENCCRV and BSP. The SIAC establishes eight virtual and face-to-face channels to address and resolve potential claims, with the Complaints and Suggestions Information Offices network and its online forms being the most relevant channels. The Public Participation and Transparency Unit (UPCT), dependent on CONAF's Communications Secretariat, is responsible for its operation in CONAF. Given that the SIAC is an information system at the national level, it allows the requests received by any public service to be referred to CONAF when appropriate, for the proper management of the response. The CONAF UPCT will carry out a specific monitoring of the requests related to the ENCCRV and the ERP. This action will enhance the feedback that exists between the institutional channels and the various technical units at the regional and local level through the "climate change" sub-process (more information <a href="here">here</a>). Periodically, the SIAC issues a report available online which makes it possible to trace public inquiries and monitor response times, as well as provide feedback to the SIS, thus facilitating the implementation and compliance with environmental and social safeguards.

For the purposes of this monitoring report, the BSP has not formally gone into effect, so there is not any register of feedback or grievances for the benefits distribution process. However, for the next reporting period, results from the executed activities will be reported on, including the number and types of grievances received and submitted to the FGRM.

2.7 Confirm that adequate human and financial resources have been allocated or maintained for implementing the BSP.

As previously mentioned, three entities will be responsible for the development of the ERP: INFOR, AGCID and CONAF. CONAF's DCCSE has permanent teams financed by the State of Chile and by third-party funds (external projects), which coordinate directly with other CONAF units responsible for activities related to the implementation of the ERP. Among these are the Monitoring Department, the Environmental Assessment Department, the UAIS and the Finance and Administration Management (GEFA). The DCCSE also has coordinators in each of the country's regions dedicated exclusively to the implementation of the ENCCRV. Additionally, in seven regions of the country, including the regions of the program, <a href="Specialized Regional Technical Units (UTRE)">Specialized Regional Technical Units (UTRE)</a> were contracted, made up of two forest specialists and one specialist in social safeguards, in order to strengthen the technical capacities for the implementation of the ENCCRV and the ERP.

However, these have since been discontinued, so once the BSP goes into operation and the execution of field activities intensifies, the need to provide technical support to the regional teams will be re-evaluated. 2021 marked the beginning of the strengthening of capacities of the central and regional teams for the implementation of the results-based payment mechanism funded by the GCF. In this regard, in 2022 and 2023 more than 90 professionals were hired to support the implementation of this payments system. More detailed information about that will be provided in 3<sup>rd</sup> Monitoring Report.

#### 3. Status of Benefit Distribution

3.1 Summarize the distribution of all monetary and non-monetary benefits during the reporting period.

Not applicable, since during the 2020-2021 reporting period no non-economic benefits have been distributed through the BSP. It should be noted that the results-based payment system of the GCF considers a preparation phase, prior to the implementation of the BSP, between August 2020 and August 2022.

3.2 Indicate in a table format the number and type of beneficiaries who received benefits during the reporting period (examples of tables to be used and expanded upon below). The tables should include information on:

- the type of benefits distributed, including monetary or non-monetary benefits;
- the criteria for distributing the benefits;
- the processes and timeline for distributing the benefits (e.g., whether the benefits are distributed on a one-time basis or are continuous/periodic);
- who the beneficiaries are, including a break-down of the beneficiaries by gender, civil society organizations (OSCs ), Indigenous Peoples, and local communities; and
- any specific agreements signed with the beneficiaries for them to receive benefits, and the key terms of such agreements.

Not applicable, since during the 2020-2021 reporting period no non-economic benefits have been distributed through the BSP. It should be noted that the results-based payment system of the GCF considers a preparation phase, prior to the implementation of the BSP, between August 2020 and August 2022.

3.3 Do beneficiaries receive adequate implementation support to assist in the management and use of benefits distributed to them?

Not applicable, since during the 2020-2021 reporting period no non-economic benefits have been distributed through the BSP. It should be noted that the results-based payment system of the GCF considers a preparation phase, prior to the implementation of the BSP, between August 2020 and August 2022.

3.4 Describe and assess the effectiveness of the mechanisms for ensuring transparency and accountability during the implementation of the BSP, such as participatory monitoring by beneficiaries.

To ensure the transparency and accountability of the BSP in each operating cycle (associated with the competitive period), a new PTN and PTR will be formulated, which will be subject to a review, improvement and validation process. Various national and regional institutions and initiatives will participate in this process, the results of which will be publicly available. The REDD+ Groups, which will be made up of government agencies and actors from civil society at the regional level, will play a key role in these processes. These groups, in addition to their role in the governance of both the ENCCRV and the BSP, will be able to analyze and supervise the prioritization of projects and the focus of public tenders. These actions will also be supported by the systems that have been arranged to ensure the transparency of the program and the BSP. Specifically, both the SIS and the Mechanisms for Complaints and Suggestions (MRS) will ensure transparency in the implementation of the ENCCRV and the distribution of benefits, facilitating communication and the prompt and timely resolution of potential problems. In parallel, the commitments that Chile has voluntarily assumed, such as the presentation of the First Summary of Information on the Approach, Respect and Compliance with the ENCCRV Safeguards 2013-2017, will strengthen the process of respect for safeguards during the implementation of the ER Program.

Additionally, to guarantee transparency, the BSP establishes two benefit distribution modalities: 1) a public tender focused on the implementation of MDA in the sections of the beneficiary population with the highest index of social and environmental vulnerability (small-scale owners); and 2) prioritized projects with emphasis on the active search for initiatives that have impacts on a landscape scale to generate greater environmental benefits. These modalities are governed by the guidelines established in the PTN and PTR, which define a transparent and objective mechanism

for evaluating initiatives, involving the evaluation of projects through the weighting of variables (determined participatively) and criteria to obtain a score for each initiative in order to make an objective selection.

3.5 Assess whether Benefit Sharing distributions continue to be relevant to core objectives and legitimacy of the ER Program objectives (e.g., benefit sharing is considered equitable and effective; seeks active participation of recipients; is respectful of customary land rights; enjoys broad community support of Indigenous People; benefit distributions incentivize adoption of emission reduction measures, among others).

Not applicable, since during the 2020-2021 reporting period no non-economic benefits have been distributed through the BSP. It should be noted that the results-based payment system of the GCF considers a preparation phase, prior to the implementation of the BSP, between August 2020 and August 2022.

3.6 Describe the mechanisms that are in place to verify how benefits are used and whether those payments provide sufficient incentive or compensation to participate in program activities to change land use or reduce carbon emissions. To what extent are distribution mechanisms viewed as credible and trusted by beneficiaries?

The mechanisms to determine the good use and impact of the non-economic benefits that have been provided in the BSP correspond to four main areas: i) governance, including preparation of the operating protocols of the regional REEDD+ Groups by the Secretariat, thereby allowing periodic monitoring of the implementation and impact of the MDA of the ENCCRV; ii) systems, which involves maintaining the integration and proper functioning of the systems associated with the ENCCRV (point 2.5); iii) operational, which is related to developing technical documents of public access that allow adequately guiding the execution of the ENCCRV Action Measures, together with keeping the repository updated with the Operational Guidelines for each of them; and iv) response, which involves the monitoring of the Complaints and Suggestions Mechanism (point 2.6).

3.7 Do beneficiaries understand their continued obligations once benefit distribution has taken place? Is there any evidence that there is a mismatch of expectations among beneficiaries regarding the nature and value of benefits accruing to them? What mechanisms are in place to manage such risks?

Not applicable, since during the 2020-2021 reporting period no non-economic benefits have been distributed through the BSP. It should be noted that the results-based payment system of the GCF considers a preparation phase, prior to the implementation of the BSP, between August 2020 and August 2022.

However, together with the agreements with beneficiaries, the provision of technical assistance to individuals and communities will be intensified to reduce the potential risk of non-compliance. In addition, during the execution process, the forest extension activities carried out by CONAF in the regions of the program will be increased with a greater number of beneficiaries.

## 4. Implementation of the Environmental and Social Management Measures for the BSP

4.1 Assess to what extent the measures for managing the environmental and social aspects of BSP activities have been implemented. Refer to applicable sections in the Safeguards Plans where relevant.

The national process of formulating the ENCCRV has allowed the integration of various approaches and guidelines associated with safeguard management, such as <u>gender approaches</u> or the <u>vision of indigenous peoples</u> related to <u>land management</u>. In addition, the WB's operational policies have been fully implemented in terms of their design and future implementation through the FCPF Preparation Fund. An <u>Environmental and Social Evaluation</u> of the ENCCRV was carried out, which led to the creation of its <u>Management Framework</u> (see Annexes <u>here</u>). This framework establishes the principles, rules and procedures to identify the measures required to monitor risks and manage impacts, as well as the expected benefits of the ENCCRV. In addition, and in order to strengthen the analysis

and management of safeguards that apply to the ENCCRV, its field activities and BSP, the Free, Prior and Informed Consent approach was also used under the <u>National UN-REDD Program of Chile</u>.

The CSM is already operational and once the social and environmental monitoring systems become operational, they will strengthen transparency and response to potential conflicts associated with the distribution of benefits. These systems have also been strengthened through a sustained improvement in human capacities to manage safeguards. The UAIS has four professionals in its central office and a coordinator in each region, while the UTREs have a social specialist in each region. These factors guarantee compliance with the safeguard requirements associated with the BSP of Chile's ERP.

#### 5. Recommendations for BSP Improvement or Modifications.

5.1 Based on experience during the current reporting period as well as feedback from recipients, identify any specific recommendations for modifying the procedural or substantive content of the BSP, if necessary. Substantive changes may include modifications to eligible beneficiaries; rationale or justification for benefits sharing; form or modality of benefit distribution; structure of dedicated funds established to distribute benefits; obligations of recipient among others.

The BSP has undergone significant changes relative to the initial approach outlined in the ERPD. This development has been based on consultation processes, technical analysis, and the contribution of specialists. The main changes and validations are: i) the BSP will provide only non-economic benefits; ii) the budget allocations, as a percentage of the total financing of the ERP, will correspond to the basal allocation (50 percent), performance (20 percent) and mitigation of negative impacts (10 percent); iii) the REDD+ Group in each region will be the main coordinator during implementation; iv) the five cross-cutting variables used to determine the prioritized projects and tenders are ecosystem, indigenous peoples, territorial, gender and socioeconomic aspects.

The application of the BSP for the execution of the Green Climate Fund's payment for results funds has raised the need to apply modifications to the BSP, whose objective is to adjust some elements according to the reality observed in the territories and to the lessons learned obtained in the implementation process from 2022 to date.

The DCCSE has been carrying out a series of instances aimed at compiling said lessons learned, which are summarized below:

- a. Modality of resource distribution among regions: It has been detected that the modality of resource distribution between regions generates a distortion in the budget allocation, so it is proposed to replace the performance and buffer allocation with an allocation based on rural area, the number of rural inhabitants and multidimensional poverty, each with a distribution percentage of 20%, modifying the baseline allocation to 40%.
- b. Type of beneficiaries: definition of small landowner: it has been detected that the definition of small landowner used as a normative reference for Law 20.283 has some elements that are is obsolete, for example, the law requests that the owners work the land directly. However not all people who present some condition of vulnerability in the rural environment work on their properties or receive income from an agricultural or forestry operation. Another example is the definition requires that the beneficiary's assets do not exceed 3.500 Unidades de Fomento (UF)<sup>47</sup>. This is unlikely even for small owners since the commercial value of the land has increased considerably since the approval of the law. That is detrimental to small landowners since the current value of the property may exceed this amount, classifying these beneficiaries as medium-sized landowners, which is a mistake. An adjustment to the definition will be proposed to increase the number of eligible beneficiaries.
- c. Type of beneficiaries: The definition of medium-sized owner currently used is unclear regarding the separation between natural and legal persons. The new version of BSP is considering separating the definitions of medium-sized owner (natural person) and medium-sized owner (legal person). In addition, co-financing will be requested from

<sup>&</sup>lt;sup>47</sup> The Unidad de Fomento (UF) is a readjustable index, calculated and authorized by the Central Bank of Chile (Banco), for credit operations in national currency carried out by banking companies and savings and credit cooperatives.

companies according to their size. Furthermore, the definition indicates that companies have an annual sales income limit of 100,000 UF, which raises questions since it does not specify whether the line of business corresponds exclusively to those generated by forestry activity or to any other line of business. In the current version, it is explicitly defined that the annual sales income limit is associated with all lines of business.

- d. Strengthening of the competition's procedural cycle: The procedural cycle for operationalizing the BSP generates an overload of work, so the processes will be simplified by including in the PTN a more synthetic version of the PTR, which contains the cross-cutting variables, criteria and weightings to be applied in a given competition period. The option of extending the terms of validity of these documents will be analyzed. In other words, these documents could, for example, regulate the operation of more than one public bidding period.
- e. Collaboration agreement with beneficiaries: The BSP establishes a REDD+ Collaboration Agreement between the landowner(s) and CONAF, which addresses the minimum content for the implementation of territorial projects, including the details of the awarded project, as well as the rights and obligations of the parties, including aspects related to the transaction of emission reductions and their deadlines, so that these are always accounted for by the country. This document represents the means of verification and support for both CONAF and the beneficiary by means of which the execution of activities by the owner(s) is authorized, so that its non-binding nature leaves the interventions carried out on the properties of the beneficiaries without legal support. Given its relevance, it is necessary to emphasize the obligatory nature of the Agreement for the signatory parties, together with some other requirements such as:
- It can be signed only by the owners who are of legal majority (18 years of age), if there is a minor, his/her legal guardian must sign.
- It must be accompanied with the supporting documentation as established in each contest cycle.
- It is exclusive for the execution of the project and must follow the mechanism established for its exclusion.

#### f. Incorporation of the Project Management System:

We are currently working on the generation of a Project Management System (PMS) that will allow the linkage between the initiative applications collected through the Competition Platform, the technical aspects of the projects under execution collected through the ENCCRV Platform and the administrative and financial aspects of the projects and initiatives generated within the framework of the Strategy. This system will allow the entry, evaluation and management control of projects at the technical, administrative and financial levels, complementing the current Strategy systems. The elements that emanate from this system will be incorporated in the update of the BSP

### g. Update of the Communications Plan

The Communications Plan will be specified with a Communications Strategy for the BSP of greater scope and depth, which addresses the aforementioned aspects in a more robust manner, thus allowing to define more clearly the strategic role of communications and dissemination of the current system, but also incorporating other elements such as the definition of intercultural and gender approaches in the totality of the system's communications, the scopes of the tools available for dissemination, the establishment of some restrictions for the generation of material, among other important definitions that need to be incorporated.

The country is currently working on the final version of the BSP, so some changes could still arise that will be reflected in the final version of the document, which will be presented on October 30, 2024 to the World Bank and the FMT.

5.2 Are there procedural or administrative obstacles to timely distribution of benefits (e.g., adequacy of financial channels, ability to use funds)? Are benefits distributed in a timely manner?

Not applicable, since during the 2020-2021 reporting period no non-economic benefits have been distributed through the BSP. It should be noted that the results-based payment system of the GCF considers a preparation phase, prior to the implementation of the BSP, between August 2020 and August 2022.

5.3 Is there evidence of other emerging risks that may affect the sustainability or effectiveness of the BSP?

This does not apply, since during the 2020-2021 reporting period, no non-economic benefits were distributed that would generate evidence of emerging risks in addition to those identified in the consultation process carried out in the period 2019-2020.

5.4 Provide a suggested timeline and an outline of administrative arrangements to introduce any recommended changes.

Not applicable for this implementation period.

# ANNEX 3: INFORMATION ON THE GENERATION AND/OR ENHANCEMENT OF PRIORITY NON-CARBON BENEFITS

#### 1. Priority Non-Carbon benefits

List the **identified set of priority Non-Carbon benefits** and provide necessary details on activities for generation and enhancement of these Non-Carbon benefits. (See questions in sections 2 and 3 below for examples of details on potential specific non-carbon benefits identified)

For the ENCCRV, priority non-carbon benefits have been defined in five dimensions: soil resources, water resources, biodiversity, sociocultural and socioeconomic. Based on these, six priority non-carbon benefits have been defined, three for the environmental area and three for the social area.

The non-carbon benefits in the environmental area are the reduction in soil loss, the contribution to the regulation of the water balance and biodiversity, while in the social area, the priorities are Cultural Identity, employment and occupation, and income and production. Each is represented by an indicator that can be subject to measurement and monitoring. It is expected that the actions implemented by the ENCCVR measures will generate positive changes in the territories, such as improvements in local livelihoods, biodiversity conservation, greater availability of water resources, soil protection, among others.

The analysis of the generation of non-carbon benefits was carried out in relation to the direct action measures of the ENCCRV and their effect or impact on vegetation cover. As an example, measures MT4, MT5 and IF2 can be considered under the unit of restoration, afforestation and revegetation of degraded ecosystems, whose implementation may be reflected in non-carbon benefits associated with the reduction of the loss of vegetation cover.

Priority Non carbon benefit	Afforestation	Forest restauration & forest fire affected recuperation	Sustainable forest management
Priority Non Carbon benefit	MT.4	MT5—IF2	US.1
Decrease in soil loss	✓	✓	<b>~</b>
Contribution to the regulation of water balance	✓	✓	✓
Recovery, Maintenance and / or increase of connectivity	✓	✓	✓
Cultural identity	✓	✓	✓
Employment and occupation	✓	✓	✓
Income and production	<b>√</b>	✓	✓

With respect to soil loss, the REDD+ measures applied will have the effect of reducing soil loss, meaning that the environmental services provided by the soil are recovered, maintained and/or increased. In effect, there is a direct relationship between the loss or reduction of vegetation cover and soil loss, therefore, the application of REDD+ projects aimed at maintaining, recovering or improving vegetation cover, whether forest or other physiognomies, will reduce soil loss and subsequently the maintenance, recovery and/or improvement of soils by reactivating or allowing new soil processes and therefore the recovery, maintenance and/or improvement of the functions and services provided by this component.

In relation to water resources, the ENCCRV measures related to the restoration, afforestation and revegetation of degraded ecosystems (MT.4, MT.5 and IF.2) have an impact on the water balance. Indeed, it is expected that the

change in land use, either by increasing the vegetation canopy through different practices or by intervening in the territory to avoid degradation and deforestation, will mean a change in the water balance and therefore in the hydrological response of the areas where such interventions are carried out.

These will have two expected effects: on the one hand, evapotranspiration will increase as a result of the increase in the canopy; and on the other hand, the infiltration and storage capacity of this area will increase, with the expectation that a portion of this increase will be available for vegetation and another portion will be a contribution to groundwater.

Regarding the benefit of biodiversity, as an inherent attribute of ecosystems and as such, its maintenance and dynamics depends on the stability of the processes that regulate it, it is subject to the fact that silvicultural interventions or management practices produce variations in these processes, especially at the landscape level, causing changes between intervened sectors with respect to those unaltered, especially if the latter correspond to areas of high naturalness. Thus, the landscape presents patterns of naturalness/intervention in which different elements interact, depending on their attributes. These elements (land use or land use), the more changes they present with respect to their original state, it is generally accepted that they are more disconnected from those that have been subjected to less intervention. In addition to the degree of intervention, there is the area over which these changes are applied, given that the greater the area of a given use, the greater the degree of interaction with the other elements of the landscape.

The non-carbon benefits related to the social dimension have the particularity that they are largely developed in rural areas of the country, a critical aspect being the availability of information to evaluate the effectiveness and impact of the measures. In fact, their scope of action is local, at the level of small and medium landowners, targeting the most vulnerable communities, which are not always represented in district, regional or national statistics. For the ENCCRV, it is considered that all action measures may have some impact on non-carbon benefits in the social sphere.

As of the date of this report, no Emission Reduction Program benefits have been distributed to specifically account for the non-carbon benefits generated by the project. However, within the framework of the pilot projects carried out by the +Bosques payment by results program, the following advances executed in 2021 can be mentioned.

For Afforestation activities with MT4, advances have been made in the Maule Region, with an afforestation area of 20 ha corresponding to 16 direct beneficiaries, which will be allocated to a permanent coverage of native species of non-timber and melliferous value.

For MT5 activities, progress has been made in the Maule Region, with an area of ecological restoration of 5 ha on land owned bysmall-scale owners in the dry interior, benefiting a total of 10 people.

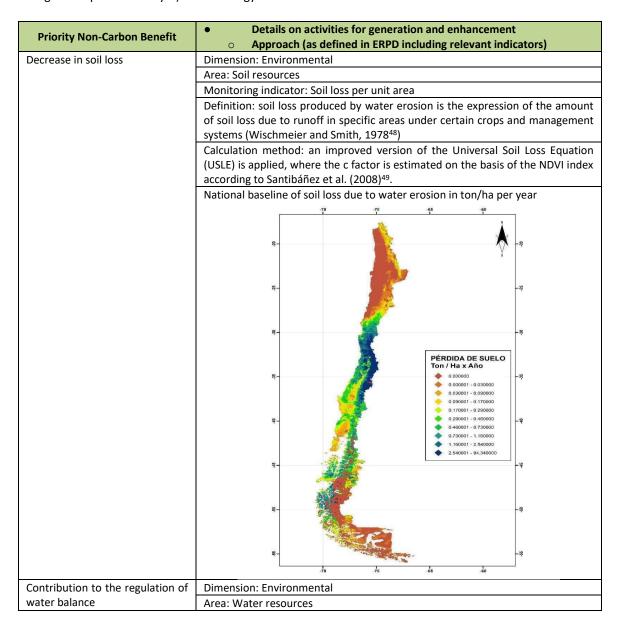
To date, IF2 activities has been made in the Maule Region, with a 12-ha post-fire restoration area in a property owned by a medium-sized landowner in the interior dry area, which suffered a devastating fire that affected native forest areas that are now being recovered. In total, a total of 9 people benefited directly.

To this reporting period IF3 activities to identify feasible areas for intervention have been carried out, as well as consultation with key actors, assessment and characterization of the land, development of inventories, meetings with the landowners, design of interventions, preparation of data sheets and documents, preparation of safeguards documents, elaboration of Terms of Reference (ToR) and start of execution. IF3 activities have not yet been implemented in any region in 2020-2021.

The US1 activities have not yet been implemented in any region in 2020-2021. The area considered for +Bosques initial phase is 8 territorial intervention projects defined in 3 regions, including projects with the participation of indigenous peoples and transversal integration of a gender approach.

For US3 activities, advisory and monitoring activities have been carried out on more than 112 firewood stockpiles in the 6 regions, which translates into 230 direct beneficiaries (112 owners and 118 workers), of whom 22 percent are women. This characterization covers 5,428 m3 of dry firewood and will be part of the baseline for estimating the productive increase of the beneficiaries and its result in terms of area. Additionally, a specialist consultancy was carried out to determine the conversion factors from m3 of dry firewood produced to hectares of managed forest, which are key factors to determine the result indicators of this measure.

These priorities non carbon benefits are associated with the indicators established in the Co-Benefits System (SCB according to its Spanish acronym) Methodology.



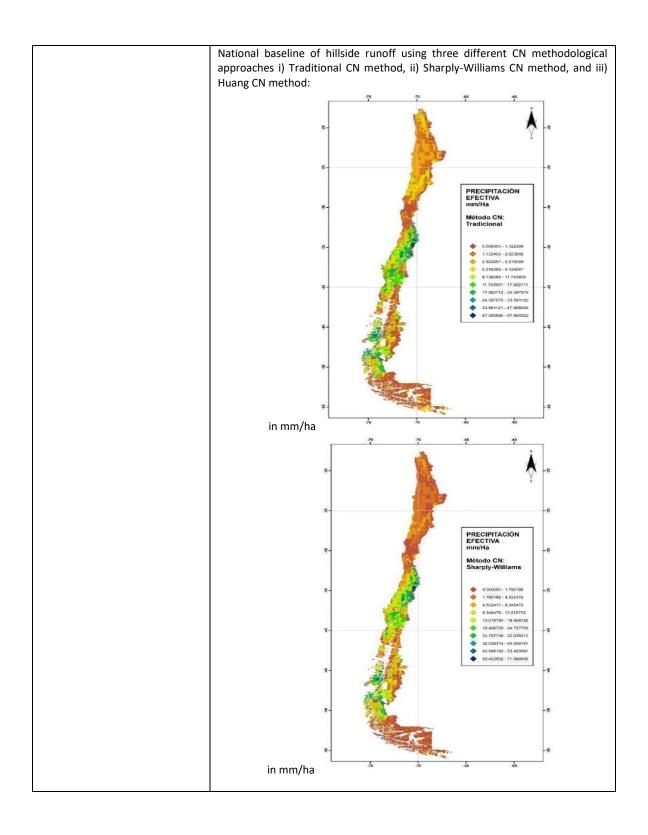
<sup>&</sup>lt;sup>48</sup> Wischmeier, W.H. and Smith, D.D. (1978) Predicting Rainfall Erosion Losses. A Guide to Conservation Planning. The USDA Agricultural Handbook No. 537, Maryland. Retrieved from: <a href="https://naldc.nal.usda.gov/download/CAT79706928/PDF">https://naldc.nal.usda.gov/download/CAT79706928/PDF</a>

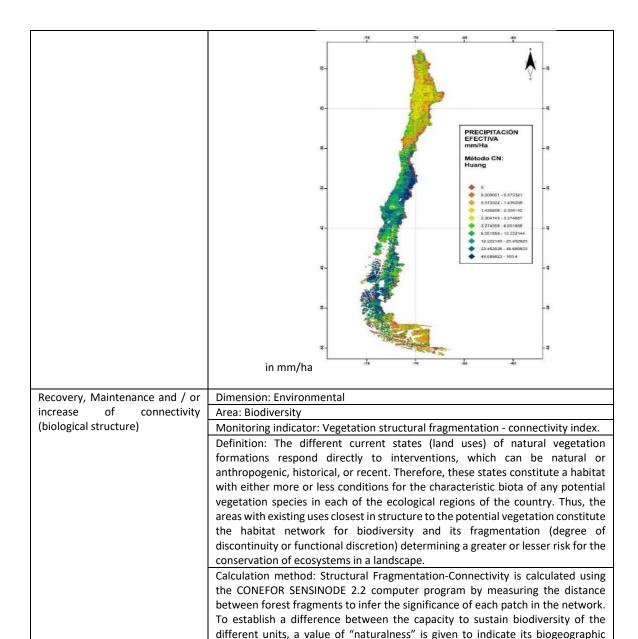
<sup>&</sup>lt;sup>49</sup> Santibáñez, F; Roa. P. and P. Santibáñez. 2008. Capítulo 1: El Medio físico. En: Biodiversidad en Chile. Patrimonio y Desafíos. Ministerio del Medioambiente. Santiago de Chile, Chile. pp: 21-45.

Monitoring indicator: Hillside runoff / Slope runoff using the SCS curve number method.

Definition: Hillside runoff, or slope runoff, or excess precipitation, or effective precipitation corresponds to equivalent terms understood as the portion of the precipitation available for direct runoff. As noted above, this indicator is estimated with the SCS curve number (CN) method, whose outcome is adjusted according to 2 existing methods. It should be noted that these curve number fitting methods have not been validated in Chile, except for some isolated applications in the national territory, so their application must be carefully studied.

Calculation method: The CN method was developed by the Soil Conservation Service (SVS) from the USDA in 1969. This approach allows to estimate the ratio of the rainfall that will be retained, evapotranspired, as well as the effective precipitation or slope runoff that will ultimately account for the flow of surface runoff, mainly conditioned by soil moisture conditions, soil type, use soil and vegetation cover.

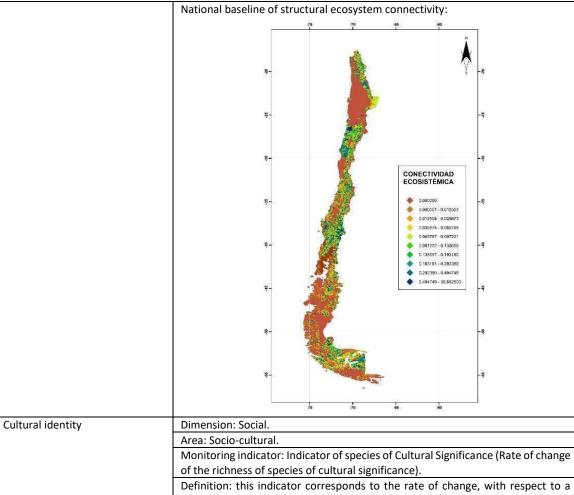




context in which it is found.

for the Steppe and Thicket units.

1.0 values are for Native Forest units, 0.75 for Arborescent Thicket units and 0.5



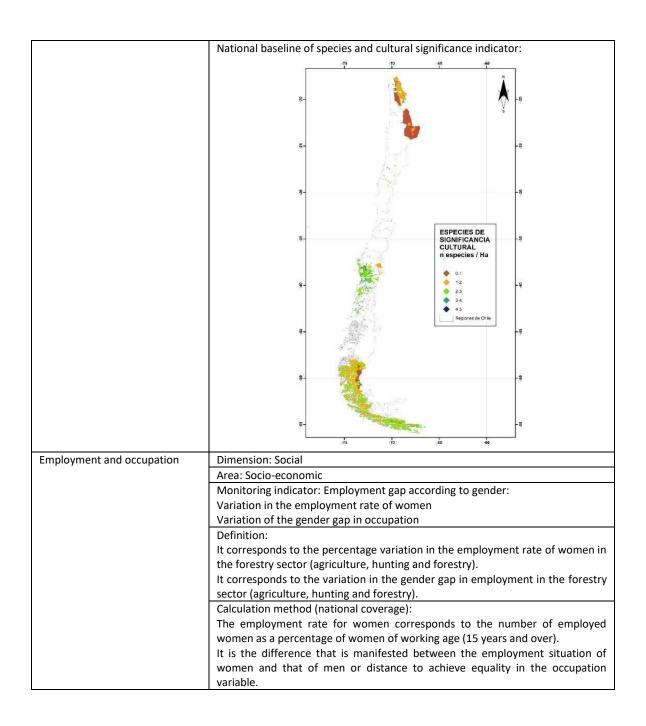
base year, of the richness of species of cultural significance in "areas of cultural

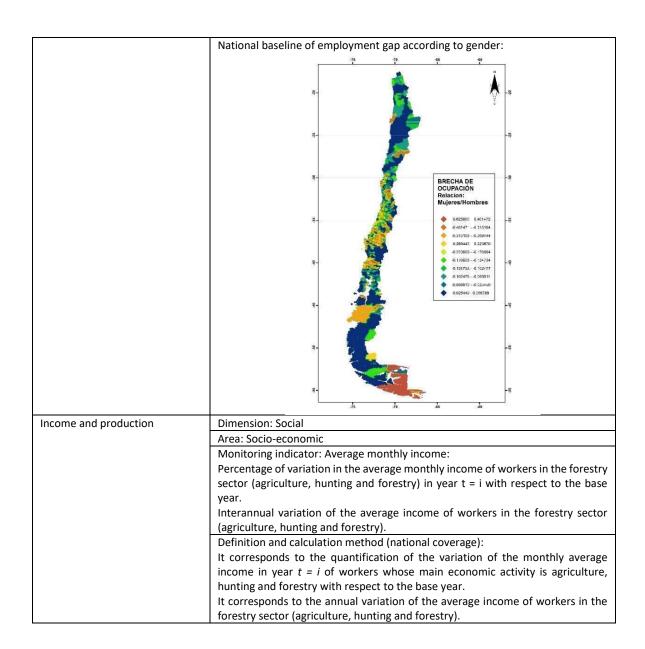
specifically linked to conservation, sustainable management and / or the coverage of species that generate cultural services valued by indigenous

interest" product of projects benefited by the REDD+ activities of the ENCCRV,

communities.

Calculation method: The Cadastre allows obtaining species richness by area, identifying 1 to 6 dominant species in each polygon of the Cadastre. Thus, we alth (estimated through frequency) will take values between 1 and 6 in the baseline condition. For the national baseline, the wealth in the polygons of "areas of cultural interest" is estimated, considering the culturally significant species for any of the 10 indigenous peoples identified in the CONAF "Plant Resources Management Plan on Indigenous Lands".





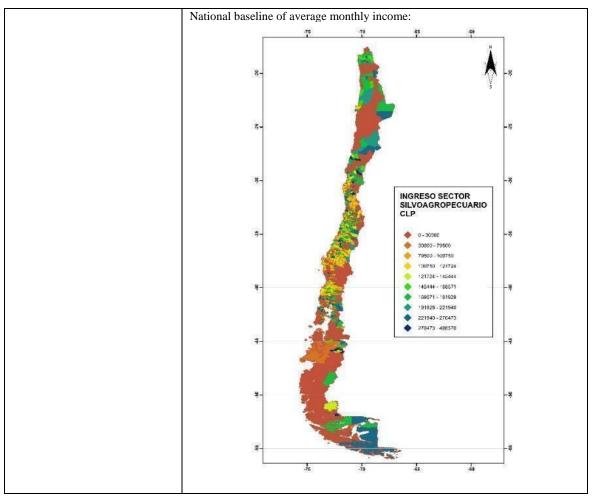


Table 12 Summary of the Priority non-carbon benefits and the information related to their methodological development.

At present, the system is established, and the indicators developed but no measurements have been made at the plot scale. During the year 2022, training was carried out in six regions of the country regarding the Co-Benefits approach, its indicators and predial monitoring variables. In addition, the measurement Protocol for the territorial variables were updated. During the next period, it is expected to have measurements that allow calibrating the calculation models of the Co-Benefits System and generating measurement reports.

The evaluation of priority non-carbon benefits will be reconsidered in monitoring period 3, given that the information generated by the projects within the framework of the ENCCRV financing has not allowed establishing the impact on the priority co-benefit. Based on the information proposed, it is expected to generate some adjustment in the indicators in order to be able to use the information that is collected in the projects that enter the BSP, so that on this basis we have indicators that are measurable over time. It is expected that by December 2024 there will be updated data that can be reported at the next monitoring milestone, in April 2025.

# 2. Other Non-Carbon benefits and additional information as linked to Monitoring and Evaluation Framework

#### Livelihood enhancement and sustainability

2.1 Is your CF program testing ways to sustain and enhance livelihoods (e.g. one of your program objective/s is explicitly targeted at livelihoods; your approach to non-carbon benefits explicitly incorporates livelihoods)?

Yes, the specific objective N° 3 of the ENCCRV is "to manage mechanisms for the assessment and valorization of the environmental services provided by native vegetation resources, including payment systems for performance that respect the distribution of benefits and environmental and social safeguards." In addition, the benefits that are expected to be obtained with the implementation of the action measures of the ENCCRV and established in the SESA are organized in fundamental axes (a group of benefits interrelated among each other and can represent either a social or an environmental area), in which social and cultural benefits axes are considered, but also environmental benefits as well as Education and capacity building.

Under an ecosystem services approach, and in accordance with the Safeguards Report, an analysis was carried out regarding how the pilot projects implemented with international financing contribute to obtaining ecosystem services. For this analysis, the catalog of Ecosystem Services was incorporated as a basis, according to the guidelines issued by the Ministry of the Environment (MMA) of Chile, which developed a classification of these services<sup>50</sup> in 2014, a classification that is aligned with the Ecosystem Assessment of the Millennium (2005), known as MEA by its acronym in English, and which defines ecosystem services as "the benefits that humans obtain directly or indirectly from ecosystems".

The following table shows the result of this analysis for the ecosystem services of the Provision and Cultural section that are related to livelihoods and that were generated by the reported activities.

Classification of Ecosystem Services (Haines-Young and Potschin, 2012)			Socio-environmental benefits of  "Activities financed by international agencies (ENCCRV	
Section	Division	Group	pilot projects)"	
Nutrition	Biomass	<ul> <li>✓ Post-forest fire restoration in the Andean foothills of the La Araucanía Region</li> <li>✓ Specialized Regional Technical Units</li> <li>✓ Sustainable Land Management Project</li> </ul>		
		Water	<ul> <li>✓ Agroforestry Hydrological Recovery in the Purén Alto River basin, Araucanía Region, Chile</li> <li>✓ Sustainable Land Management Project</li> </ul>	
PROVISION Materials	Biomass	<ul> <li>✓ Post-forest fire restoration in the Andean foothills of the La Araucanía Region</li> <li>✓ Specialized Regional Technical Units</li> <li>✓ Sustainable Land Management Project</li> </ul>		
	iviacerials	Fiber	<ul> <li>✓ Post-forest fire restoration in the Andean foothills of the La Araucanía Region</li> <li>✓ Specialized Regional Technical Units</li> <li>✓ Sustainable Land Management Project</li> </ul>	

<sup>50</sup> https://mma.gob.cl/wp-content/uploads/2014/10/Propuesta-Marco-Conceptual-Definicion-y-Clasificacion-de-Servicios-Ecosistemicos V1.0 Alta.pdf

Classification of Ecosystem Services (Haines-Young and Potschin, 2012)			Socio-environmental benefits of
Section	es-Young and Potso  Division	Group	"Activities financed by international agencies (ENCCRV pilot projects)"
occur.	210.00.	Water	✓ Agroforestry Hydrological Recovery in the Purén Alto River basin, Araucanía Region, Chile ✓ Sustainable Land Management Project
	Energy	Biomass energy sources, mechanical energy	✓ Specialized Regional Technical Units
	Physical and intellectual interactions with ecosystems and landscapes / seascapes (environmental settings)  CULTURAL	Physical and experiential interactions	<ul> <li>✓ Agroforestry Hydrological Recovery in the Purén Alto River basin, Araucanía Region, Chile</li> <li>✓ Actions to Strengthen the adaptability of the Quinquen Indigenous Community in response to its greater socioenvironmental vulnerability because of Climate Change effects.</li> <li>✓ Sustainable Land Management Project</li> </ul>
CULTURAL		Intellectual and representational interactions	<ul> <li>✓ Actions to Strengthen the adaptability of the Quinquen Indigenous Community in response to its greater socio-environmental vulnerability because of Climate Change effects.</li> <li>✓ Sustainable Land Management Project</li> </ul>
sym othe inte	Spiritual, symbolic, and other interactions with	Spiritual or emblematic	<ul> <li>✓ Actions to Strengthen the adaptability of the Quinquen Indigenous Community in response to its greater socioenvironmental vulnerability because of Climate Change effects.</li> <li>✓ Sustainable Land Management Project</li> </ul>
	ecosystems and landscapes / seascapes (environmental settings)	Other cultural products	✓ Actions to Strengthen the adaptability of the Quinquen Indigenous Community in response to its greater socioenvironmental vulnerability because of Climate Change effects. ✓ Sustainable Land Management Project

**Table 13** Classification of Ecosystem Services that are related to livelihoods.

Although it is possible to establish a direct relationship between the ecosystem services that contribute to the enhancement of people's livelihoods and the ER programs and activities reported on, for the reporting period there is not enough evidence to demonstrate the achievement of these improvements. However, through the ENCCRV it was possible to benefit directly around 1,913 people, and it is reasonable to assume that their livelihoods have been improved.

We currently do not have data that would allow us to accurately report proven evidence of livelihood improvement, due to the availability, quality, and precise spatial scale required to assess these attributes. To this end, adjustments and strategic planning must be made and approved to carry out studies that allow the incorporation of methodological tools associated with the collection and projection of information that must be economically and logistically viable, adjusted to the institutional capacities and the scale at which the Program currently operates. For now, it is not yet possible to generate a timeline that would provide proven evidence of improved livelihoods for beneficiaries.

Notwithstanding the above, it is pertinent to point out that seeking the sustainability of the projects, during the development of the implementation of the BSP, strategic planning adjusted to the development of capacities has been incorporated to generate long-term improvements in the livelihoods of the direct beneficiaries. For this reason,

as of 2023, a Training Plan on Sustainable Livelihoods has been incorporated, training a total of 212 people, with 69% participation of women and 39% of people belonging to indigenous peoples, in its first cycle. Due to the good acceptance of these activities by all parties involved, a second cycle is being developed during 2024.

In addition, it is expected that during 2025 research can be generated associated with the identification of alternatives to improve the profitability of projects, under the perception of the beneficiaries, considering the implementation and opportunity costs in relation to the possible benefits, which will be able to provide more accurate data, by generating a projection of parameters linked to the improvement of livelihoods.

#### Biodiversity

2.2 Is your CF program testing ways to conserve biodiversity (e.g. one of your program objective/s is explicitly targeted at biodiversity conservation; your approach to non-carbon benefits explicitly incorporates biodiversity conservation)?

Yes, the specific objective N° 1 of the ENCCRV is "to contribute to the fulfilment of the commitments assumed by Chile, in the field of vegetation resources, before the UNFCCC, UNCCD, CDB and other national and international cooperations", the reference in the objective of compliance with the Convention on Biological Diversity is relevant in this case because among the benefits that are expected to be generated with the implementation of the action measures of the ENCCRV, and provided for in the SESA, is the Environmental Benefits Axis.

Thus, using the guidelines issued by the Ministry of the Environment of Chile already applied in the previous point, an analysis of the ecosystem services that contributed to conservation was carried out in the case of the pilot projects, pilot projects implemented and reported.

The following table shows the result of this analysis for the ecosystem services of the area or section Regulation and maintenance that is directly related to the conservation of biodiversity.

Classification of Ecosystem Services (Haines-Young and Potschin, 2012)			Socio-environmental benefits of "activities financed by international agencies (ENCCRV pilot
Section	Division	Group	projects)"
	Flow Mediation	Liquid flows	✓ Agroforestry Hydrological Recovery in the Purén Alto River basin, Araucanía Region, Chile
		Maintenance of life cycle, habitat, and protection of genetic material.	<ul> <li>✓ Post forest fire restoration in the Andean foothills of the La Araucanía Region.</li> <li>✓ Specialized Regional Technical Units</li> <li>✓ Agroforestry Hydrological Recovery in the Purén Alto River basin, Araucanía Region, Chile.</li> <li>✓ Sustainable Land Management</li> </ul>
REGULATION	Maintenance of physical,	Control of pests and diseases	✓ Sustainable Land Management
AND MAINTENANCE	chemical,	Soil composition and formation	✓ Post forest fire restoration in the Andean foothills of the La Araucanía Region.
cond	conditions	Water conditions	<ul> <li>✓ Post forest fire restoration in the Andean foothills of the La Araucanía Region.</li> <li>✓ Agroforestry Hydrological Recovery in the Purén Alto River basin, Araucanía Region, Chile.</li> </ul>
		Climate regulation and atmospheric composition	✓ Post-forest fire restoration in the Andean foothills of the La Araucanía Region.

**Table 14** Classification of Ecosystem Services that are related to the conservation of biodiversity.

Although it is possible to establish a direct relationship between the ecosystem services as key element to contribute in the biodiversity conservancy and the ER programs and activities reported, for the reporting period there is not enough evidence that allows to demonstrate these improvements achieved, however, it can be noted that through the ENCCRV it was possible intervene protected wild areas and native forest lands through direct measures, as describe below 10,220 hectares, of which 2,809 hectares were with restoration activities, 1,953 hectares with afforestation activities and 5,458 hectares with sustainable management activities, where direct and indirect biodiversity conservancy is expected.

#### Protected/conserved areas

2.3 What amount (in ha) of protected or conserved areas are included in your CF program area? Has this amount increased or decreased in the last year? If so, by how much?

The number of hectares protected or conserved within the accounting area corresponds to more than 2.2 million hectares of private conservation initiatives and areas under the state's national system of protected wild areas (SNASPE).

They will be distributed in the administrative regions of the PRE according to the following table, which also includes those that will be located in more than one region.

Región	Total (ha)
Ñuble	24,128
Ñuble - Biobío	78,334
Araucanía	228,133
Araucanía - Los Ríos	53,343
Biobío	92,554
Biobío - Araucanía	37,151
Los Lagos	1,393,378
Los Ríos	194,548
Los Ríos - Los Lagos	115,381
Maule	50,967
Maule - Ñuble	3,756
Total ER Area	2,271,673
Total Chile	17,539,077
%	13%

**Table 15** Area of protected areas in the accounting area<sup>51</sup>

From 2018 onwards, and for the PRE area, a protected area corresponding to Douglas Tompkins' Pumalín National Park was created in the Los Lagos region that covers an area of 402,392 ha. It is the largest Protected Wilderness Area in the Los Lagos region and in the PRE area.

<sup>&</sup>lt;sup>51</sup> Own elaboration based on official information from CONAF.

#### Re/afforestation and restoration

2.4 Total Forest area re/afforested or restored through program

We currently don't have the data to report and address this specific question. The SCB developed by the country is projected to be implemented by 2022. From that date on, the SCB will first establish monitoring activities to evaluate associated monitoring indicators and the completion of goals/objectives related to each of these aspects raised in this question.

#### Finance and Private Sector partnerships

- 2.5 Update on CF program budget (as originally presented in ERPD), with updated detail on secured (i.e. fully committed) finance, in US\$
- 2.5.1 Detail the amount of finance received (including ER payments) in support of development and delivery of your CF program. Figures should only include secured finance (i.e. fully committed): ex ante (unconfirmed) finance or inkind contributions should not be included:

Amount (M CLP\$)	Source (e.g., FCPF, FIP, name of gov't department)	Date committed (MM/YY)	Public or private finance? (Delete as appropriate)	ERP, grant, loan, equity or other (Delete as appropriate)
\$ 3,510,741*	Environmental Services and Climate Change Department	12/2018	Public	Grant
\$ 5,657,280*	Environmental Services and Climate Change Department	12/2019	Public	Grant
\$ 4,759,565*	Environmental Services and Climate Change Department	12/2020	Public	Grant
\$ 3,821,542*	Environmental Services and Climate Change Department	12/2021	Public	Grant

<sup>\*</sup>This financing corresponds to the total budget assigned for the annual operation of the GCEBX

2.5.2 <u>Not including ER payments from the FCPF Carbon Fund</u>, what is the value of REDD+ ER payments that your CF projects have received, and that your country has received overall?

	Total REDD+ ER payments received to date (\$US)
Carbon Fund project/s	
(i.e., ER payments from sources other than the	\$ 63,607,552 from the GCF by RBP Project
Carbon Fund)	
All other national REDD+ projects	-

2.5.3 How many formal partnerships have been established between your CF program and private sector entities? Formal partnerships are defined as:

- The partnership is based on a written MoU (or equivalent), and/or
- The partnership involves tangible financial exchange/s, and/or
- The partnership involves tangible non-financial exchange/s (e.g. in-kind contributions)

	Established in the last year (Jul-Jun)	Total to date
Number of private sector partnerships involving financial exchange	-	-
Number of private sector partnerships involving non-financial exchange	2: Agencia Chilena de Cooperación Internacional para el Desarrollo AGCID & Instituto Forestal de Chile INFOR	2

#### 3. Other Non-Carbon benefits and additional information

#### Policy development

3.1. Is your CF program involved in the development, reform and/or implementation of policies to help institutions/people/systems/sectors? Please provide information on the approach and any other relevant or related indicators/results.

We currently don't have the data to report and address this specific question. Implementation of the SCB developed by the country started in 2022. From that date on, the SCB has been establishing monitoring activities to evaluate associated monitoring indicators and the completion of goals/objectives related to each of these aspects raised in this question.

#### Capacity building

3.2 Is your CF program involved in training, education or provision of capacity building opportunities to increase the capacity of institutions/people/systems? Please provide information on the approach and any other relevant or related indicators/results.

The ERP considers development of the measure of action (MT.6.) ENCCRV's "Environmental Education and Dissemination Program". This Program includes activities such as: Activity planning at the regional level; Team contracting; Development of inputs and graphic; audiovisual material; Training workshops and sessions to achieve benefits such as: training, community empowerment on technical and environmental elements, reinforcement of local governance, improvement of community association and access to state promotion instruments.

In the context of the ENCCRV's payment for results modality, a budget of almost 500 million Chilean pesos has been presented for capacity building, to be executed between 2022 and 2026. The proposed budget, which is based on the BSP budget distribution, is presented in the table below.

In a future Monitoring Report, it will be possible to report on the actions executed in the 2022-2023 period.

Región	Total region (\$)	POA 2022	Año 2023	Año 2024	Año 2025
Maule	52,978,640	5,458,640	15,840,000	15,840,000	15,840,000
Ñuble	37,595,360	3,275,360	11,440,000	11,440,000	11,440,000
Biobío	54,070,720	6,550,720	15,840,000	15,840,000	15,840,000
Araucanía	59,350,720	6,550,720	17,600,000	17,600,000	17,600,000
Los Ríos	63,896,800	16,376,800	15,840,000	15,840,000	15,840,000
Los Lagos	66,000,000	-	22,000,000	22,000,000	22,000,000
Nivel Central	158,000,000	39,500,000	39,500,000	39,500,000	39,500,000
TOTAL	491,822,000	77,694,700	138,042,400	138,042,400	138,042,400

<u>Other</u>

3.3 Is your CF program involved in generation or enhancement of any non-carbon benefits not already covered in this annex? Please provide information on the approach and any other relevant or related indicators/results.

According to the information provided in the ERPA's Safeguards Report for the retroactive period 2018 - 2019, based on the review and analysis of the ENCCRV's Strategic Social and Environmental Assessment (SESA), it was possible to identify which non-carbon environmental and social benefits occurred from the activities implemented by CONAF. It should be noted that these implemented activities were financially supported by CONAF and by third-party funds without considering CF funds since Chile has not received any finances from the results-based payment for the implementation of the action measures of the ENCCRV. In this context, it was identified those most frequently non-priority non-carbon benefits generated through the activities implemented and financed by CONAF and other third parties:

Non-priority non-carbon benefit	<ul> <li>Detail of the activities that generate non-priority non-carbon benefits and their value.</li> <li>Approach (as defined in ERPD, including relevant indicators)</li> </ul>
Safeguarding the environmental and / or sociocultural heritage.	<ul> <li>✓ Benefits generated from the implementation of 17 activities out of the 4         Managements/Departments:         <ol> <li>GASP (Inspection of concessions in the SNASPE; Preparation or updating of management plans with a strengthened planning method of the SNASPE; Implementation of conservation strategies in SNASPE units; Proposals for the creation, expansion, and re-categorization of protected wild areas; Preparation of education plans for conservation in protected wild areas with 84 plans as direct result).</li> <li>GCEBR (Participatory Forestation Program; Arborization Program; Awarded management plans; Actions that promote the production of firewood and sustainable biomass; Trainings on caring for the environment and urban trees with 1,957 participants as direct result; Trainings on the benefits of Law 20,283 with 62 capacity building sessions as direct result; Trainings on the benefits of Law 20,283 with 62 capacity building sessions as direct result)</li> <li>GEPRIFF (Trainings for teachers in systematic environmental education with 425 teachers trained as direct results).</li> <li>GEPRIFF (Trainings for teachers in systematic environmental education with 425 teachers trained as direct results).</li> <li>GEF (Inspection of complaints from third parties; Property inspections and compliance controls through SAT / LEMU; Controls to collection centers and roadways; Inspection of technical studies of native forest management approved by CONAF; Inspection of compliance with forest legislation; Inspection of extraction plans, simple tree felling, or work plans).</li> <li>✓ Benefits generated in the implementation of the 5 pilot projects Pilot projects reported in the Report:</li></ol></li></ul>

Non-priority non-carbon benefit	<ul> <li>Detail of the activities that generate non-priority non-carbon benefits and their value.</li> <li>Approach (as defined in ERPD, including relevant indicators)</li> </ul>
Exchange of knowledge	<ul> <li>✓ Benefits generated from the implementation of 12 activities by 3 Management departments:         <ol> <li>GASP (Preparation or updating of management plans with a strengthened SNASPE planning method; Implementation of conservation strategies in SNASPE units; Proposals for the creation, expansion and recategorization of protected wild areas; Preparation of education plans for conservation in protected wild areas).</li> <li>GCEBX (Participatory Forestation Program; Tree planting program; Awarded management plans; Trainings on caring for the environment and urban trees with 1,957 participants; Trainings on the benefits of Law 20,283 with 62 capacity building sessions).</li> <li>GEPRIFF (Evaluation of large fires in the 2018-2021 period; Training and audits of the Controlled Burning Program with 5.329 beneficiaries; Training for teachers in</li> </ol> </li> </ul>
	systematic environmental education with 425 teachers trained).
	✓ Benefits generated in the implementation of 4 pilot projects:
	i. Specialized Regional Technical Units (UTRE),
	ii. Agroforestry Hydrological Recovery in the Purén Alto River basin, Araucanía Region Chile,
	iii. Actions to Strengthen the adaptability of the Quinquen Indigenous Community in response to its greater socio-environmental vulnerability because of Climate Change effects,
	iv. Sustainable Land Management Project, 540 beneficiaries of which 50.9% were women and 78.5% indigenous people.
Stop	✓ Benefits generated in the implementation of 4 pilot projects:
desertification, land	<ul> <li>i. Post forest fire restoration in the Andean foothills of the La Araucanía Region,</li> <li>ii. Specialized Regional Technical Units (UTRE),</li> </ul>
degradation, and drought.	iii. Agroforestry Hydrological Recovery in the Purén Alto River basin, Araucanía Region Chile,
	iv. Actions to Strengthen the adaptability of the Quinquen Indigenous Community in response to its greater socio-environmental vulnerability because of Climate Change effects.
Climate	✓ Benefits generated in the implementation of 4 pilot projects:
Change	i. Post forest fire restoration in the Andean foothills of the La Araucanía Region,
Mitigation.	ii. Specialized Regional Technical Units (UTRE),
	iii. Agroforestry Hydrological Recovery in the Purén Alto River basin, Araucanía Region Chile,
	<ul> <li>iv. Actions to Strengthen the adaptability of the Quinquen Indigenous Community in response to its greater socio-environmental vulnerability because of Climate Change effects.</li> </ul>

Non-priority non-carbon benefit	<ul> <li>Detail of the activities that generate non-priority non-carbon benefits and their value.</li> <li>Approach (as defined in ERPD, including relevant indicators)</li> </ul>
Increase in forest areas	<ul> <li>✓ Benefit generated from the implementation of 12 activities out of the 3 Management departments:         <ol> <li>GASP (Inspection of concessions in the SNASPE; Preparation or updating of management plans with a strengthened planning method of the SNASPE; Implementation of conservation strategies in SNASPE units; Proposals for the creation, expansion, and re-categorization of protected wild areas; Preparation of education plans for conservation in protected wild areas with 84 plans as direct result).</li> <li>GCEBX (Participatory Forestation Program; Arborization Program; Awarded management plans; Actions that promote the production of firewood and sustainable biomass; Trainings on caring for the environment and urban trees with 1,957 participants; Trainings on the benefits of Law 20,283 with 62 capacity building sessions).</li> <li>GEF (Inspection of complaints from third parties; Property inspections and compliance controls through SAT / LEMU; Controls to collection centers and roadways; Inspection of technical studies of native forest management approved by CONAF; Inspection of compliance with forest legislation; Inspection of extraction plans, simple tree felling, or work plans).</li> </ol> </li> </ul>
Greater ecological awareness.	<ul> <li>✓ Benefit generated from the implementation of 9 activities out of the 3 Management departments:         <ol> <li>GASP (Inspection of concessions in the SNASPE; Preparation or updating of management plans with a strengthened planning method of the SNASPE; Implementation of conservation strategies in SNASPE units; Proposals for the creation, expansion, and re-categorization of protected wild areas; Preparation of education plans for conservation in protected wild areas with 84 plans as direct result).</li> <li>GCEBX (Participatory Forestation Program; Arborization Program; Awarded management plans; Actions that promote the production of firewood and sustainable biomass; Trainings on caring for the environment and urban trees with 1,957 participants; Trainings on the benefits of Law 20,283 with 62 capacity building sessions).</li> <li>GEPRIFF (Trainings on forest fire prevention with 295,260 beneficiaries as direct result; Trainings on preventive forestry with 5,757 beneficiaries; Trainings for teachers in systematic environmental education with 425 teachers trained).</li> </ol> </li> </ul>

 Table 16 Summary of the non-priority non-carbon benefits.

The next table summarizes the non-priority non-carbon benefits generated from the implementation of activities, with international and national financing, and that were foreseen in the SESA. It should be noted that the methodological approach presented in the previous section of Priority Non-Carbon Benefits was developed through the FCPF financing support.

Non-priority non-carbon benefits were generated from the execution of national budget (CONAF) – based activities and initiatives:

Management/ Department	Activities implemented by Management that contribute to the MDAs	Fundamental axis in which the benefit is framed, as defined in the SESA.	Sociocultural and environmental benefits identified based on the list provided in the SESA.
GASP  1. Preparation or upd management plans strengthened method of the SNASPE 2. Implementation Conservation Strate SNASPE units / 3.Proposals3. Proposithe creation, expans recategorization of pi	Inspection of concessions in the SNASPE	Governance and operational management capabilities for the design and implementation of the ENCCRV.	✓ State inter-institutional articulation.
			✓ Better control and supervision.
		Increase in the amounts and scope of the existing financing mechanisms and non-monetary compensation of benefits.	✓ Formal marketing.
		Governance and operational management capabilities for the design and implementation of the ENCCRV.	✓ Institutional rapprochement and articulation with the different key actors, with an emphasis on consultation and work with indigenous communities and women.  ✓ State inter-institutional articulation  ✓ Better control and supervision.
	method of the SNASPE / 2. Implementation of Conservation Strategies in	Environmental benefits	<ul> <li>✓ Increase and / or maintenance of biodiversity.</li> <li>✓ Improvements in environmental services.</li> <li>✓ Sustainable forestry activities.</li> </ul>
		Social and cultural benefits	✓ Activities that respect the planet (Ñuke Mapu, Pachamama) - respect for ancestral beliefs linked to the Earth.
			<ul> <li>✓ Sense of belonging to the territory (cultural roots).</li> <li>✓ Improvement of the quality of life and social well-being.</li> </ul>
			✓ Safeguarding the ancestral practices of indigenous peoples (e.g., collection of medicinal herbs) and the valuation and effective use of women's knowledge in relation to environmental issues.
		Education and capacity building	<ul> <li>✓ Better knowledge of the territorial reality.</li> <li>✓ Promotion and encouragement of research.</li> </ul>

Management/ Department	Activities implemented by Management that contribute to the MDAs	Fundamental axis in which the benefit is framed, as defined in the SESA.	Sociocultural and environmental benefits identified based on the list provided in the SESA.
			✓ Information improvement
	Participatory Reforestation     Program / 2. Arborization     Program / 3. Awarded     Management Plans	Environmental benefits	✓ Stop desertification, land degradation and drought.
		Social and cultural benefits	✓ Safeguarding the ancestral practices of indigenous peoples (e.g., collection of medicinal herbs) and the valuation and effective use of women's knowledge in relation to environmental issues.
		Education and capacity building	✓ Technical advice on forestry activities and forest management.
GCEBX	Bonus for activities carried out within the framework of Law No. 20,283	Governance and operational management capabilities for the design and implementation of the ENCCRV.	✓ Institutional rapprochement and articulation with the different key actors, with an emphasis on consultation and work with indigenous communities and women.
		Increase in the amounts and scope of the existing financing mechanisms and non-monetary compensation of benefits.	✓ Access to promotion instruments.
	Promotion of initiatives that consider productive chains	Increase in the amounts and scope of the existing financing mechanisms and non-monetary compensation of benefits.	✓ Rural development
	Actions that promote the production of firewood and sustainable biomass	Increase in the amounts and scope of the existing financing mechanisms and non-monetary compensation of benefits.	✓ Rural development
			✓ Economically sustainable activities.
		Education and capacity building	✓ Information improvement
GEPRIFF	Communities prepared for forest fires program / 2.     Preparation of community protection plans in risk areas	Environmental benefits	✓ Stop desertification, land degradation and drought.
	Evaluation of large fires in the period 2018-2021	Education and capacity	✓ Information improvement
	Training and audits of the Controlled Burning Program	building	✓ Technical advice on forestry activities and forest management.

Management/ Department	Activities implemented by Management that contribute to the MDAs	Fundamental axis in which the benefit is framed, as defined in the SESA.	Sociocultural and environmental benefits identified based on the list provided in the SESA.
	<ol> <li>Training on forest fire prevention /</li> <li>Trainings on preventive forestry</li> </ol>	Governance and operational management capabilities for the design and implementation of the ENCCRV.	✓ Institutional rapprochement and articulation with the different key actors, with emphasis on consultation and work with indigenous communities and women.
		Environmental benefits	✓ Stop desertification, land degradation and drought. ✓ Reduction of natural risks.
	Trainings for teachers in matters of systematic environmental education	Education and capacity building.	✓ Greater ecological awareness.
GEF	1. Inspection of complaints from third parties / 2. Property inspections and compliance controls through SAT / LEMU / 3. Controls to collection centers and road operators / 4. Supervision of technical studies of native forest management approved by CONAF / 5. Supervision of compliance with forest legislation / 6. Inspection of extraction plans, simple cutting or work plans.	Governance and operational management capabilities for the design and implementation of the ENCCRV.	✓ State inter-institutional articulation.
			✓ Better control and supervision.
		Environmental benefits	✓ Increased resilience of ecosystems.
			✓ Increase and / or maintenance of biodiversity.
			✓ Improvements in environmental services
			✓ Sustainable forestry activities.
		Increase in the amounts and scope of existing financing mechanisms and non-monetary compensation of benefits	✓ Formal marketing.

**Table 17** Summary of other non-priority non-carbon benefits generated from the implementation of activities, with international and national financing.

Implemented activities that contribute to the ENCCRV MDAs	Fundamental axis in which the benefit is framed, as defined in the SESA	Sociocultural and environmental benefits identified based on the list provided in the SESA
Post-forest fire restoration in the Andean foothills of the La Araucanía Region	Governance and operational management capabilities for the design and implementation of the ENCCRV.	✓ Delivery of inputs.
Specialized Regional Technical Units (UTRE)	Increase in the amounts and scope of existing financing mechanisms and non-monetary compensation of benefits	✓ Rural development.
	Education and capacity building	✓ Better knowledge of the territorial reality.

Implemented activities that contribute to the ENCCRV MDAs	Fundamental axis in which the benefit is framed, as defined in the SESA	Sociocultural and environmental benefits identified based on the list provided in the SESA
		✓ Technical advice on forestry activities and forest management.
		✓ Promotion and encouragement of research.
		✓ Information improvement.
		✓ Activities that respect the planet (Ñuke Mapu,
	Environmental benefits	Pachamama) - respect for ancestral beliefs linked to the Earth.
	Environmental benefits	✓ Reduction of natural risks.
		✓ Sustainable forestry activities.
	Social and cultural benefits	✓ Safeguarding the ancestral practices of indigenous peoples (e.g., collecting medicinal herbs) and the valuation and effective use of women's knowledge in relation to environmental issues.
	Governance and operational	✓ State inter-institutional articulation.
	management capabilities for the	✓ Better control and supervision.
	design and implementation of the ENCCRV.	✓ Inter-state institutional articulation.
	Education and capacity building	✓ Technical advice on forestry activities and forest management.
Hydrological Agroforestry Recovery	Social and cultural benefits	✓ Improvement of the quality of life and social well-being.
in the Purén Alto River Basin, Araucanía		✓ Increased resilience of ecosystems
Region Chile	Environmental benefits	✓ Increase in forest areas.
riegion enne		✓ Increase and / or maintenance of biodiversity.
		✓ Improvements in environmental services.
	Governance and operational management capabilities for the design and implementation of the ENCCRV.	✓ Institutional rapprochement and articulation with the different key actors, with an emphasis on consultation and work with indigenous communities and women.
	Environmental benefits	✓ Increased resilience of ecosystems
		✓ Increase in forest areas.
Actions to strengthen		✓ Increase and / or maintenance of biodiversity.
the adaptability of the		✓ Activities that respect the planet (Ñuke Mapu,
Indigenous Community of Quinquen in response to its greater socio-environmental vulnerability due to the effects of Climate Change		Pachamama) - respect for ancestral beliefs linked
		to the Earth.
		✓ Water as a common good.
		✓ Improvements in environmental services.
		✓ Improvement of the quality of life and social well-being.
	Social and cultural benefits	✓ Safeguarding the ancestral practices of indigenous peoples (e.g., collection of medicinal herbs) and the valuation and effective use of women's knowledge in relation to environmental issues.
	Education and capacity building	✓ Greater ecological awareness.

Implemented activities that contribute to the ENCCRV MDAs	Fundamental axis in which the benefit is framed, as defined in the SESA	Sociocultural and environmental benefits identified based on the list provided in the SESA
	Governance and operational management capabilities for the design and implementation of the ENCCRV.	✓ State inter-institutional articulation.
	Education and capacity building	✓ Greater ecological awareness.
		✓ Increase in forest areas.
Sustainable Land Management		✓ Increased resilience of ecosystems.
	Environmental benefits	✓ Increase and / or maintenance of biodiversity.
		✓ Improvements in environmental services
		✓ Sustainable forestry activities.
	Increase in the amounts and scope	
	of existing financing mechanisms	✓ Formal marketing.
	and non-monetary compensation	· Torrida marketing.
	of benefits	

**Table 18** Non-priority non-carbon benefits generated from the execution of activities financed by international agencies (pilot projects).