

▶ 5<sup>th</sup>  
Edition



# Benefit Sharing Plan

of Chile's National Strategy for Climate Change and Vegetation  
Resources (ENCCRIV)







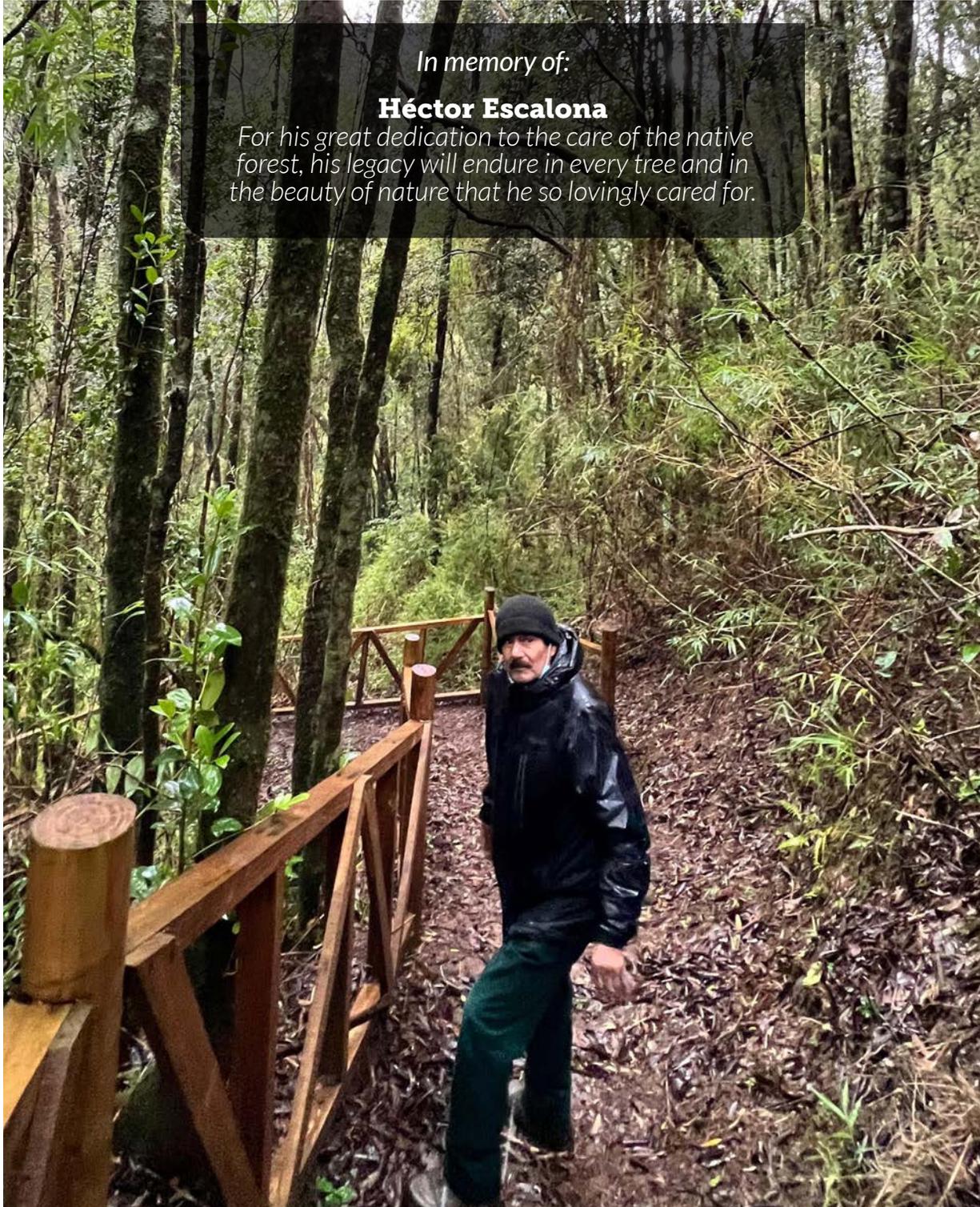


# **Benefit Sharing Plan of Chile's National Strategy for Climate Change and Vegetation Resources (ENCCRIV)**

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**5th Edition**





In memory of:

**Héctor Escalona**

*For his great dedication to the care of the native forest, his legacy will endure in every tree and in the beauty of nature that he so lovingly cared for.*



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### How to cite this document

National Forestry Corporation (CONAF). 2024. Benefit Distribution Plan of the National Strategy on Climate Change and Vegetation Resources, 5th Edition. Santiago, Chile. 76 pp.



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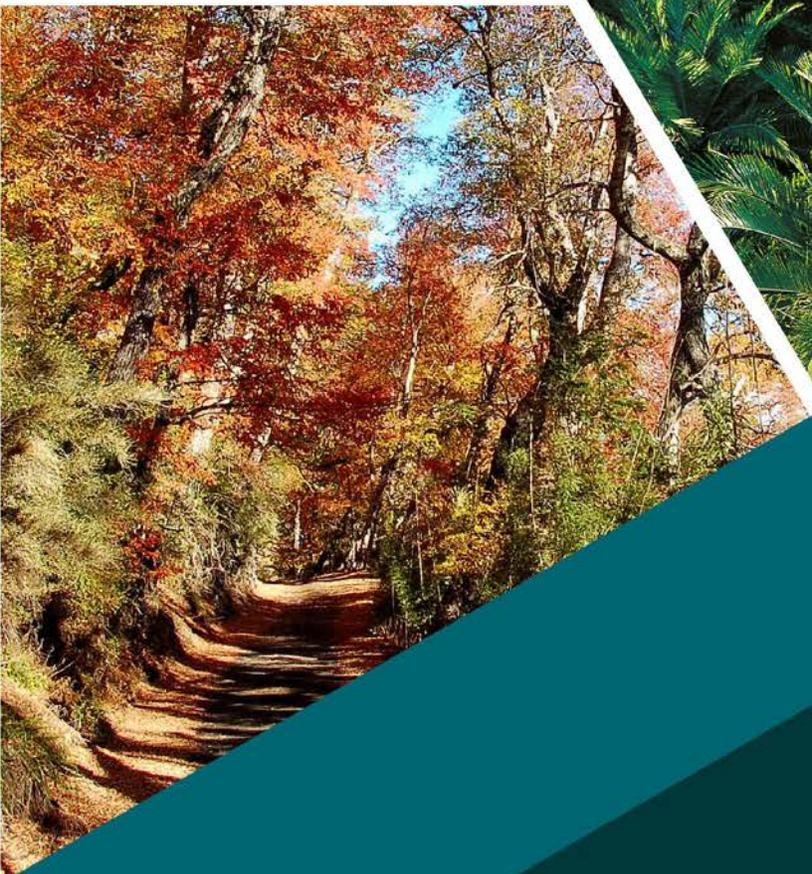
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# Abbreviations and acronyms

## Abbreviations and acronyms

|                |  |
|----------------|--|
| <b>BSP</b>     | Benefit Sharing Plan   |
| <b>BTR</b>     | Biennial Transparency Report   |
| <b>CBD</b>     | Convention on Biological Diversity   |
| <b>CONAF</b>   | National Forestry Corporation  |
| <b>CoP</b>     | Conference of the Parties  |
| <b>CORECC</b>  | Regional Committee on Climate Change   |
| <b>COSOC</b>   | Civil Society Council  |
| <b>CRUCH</b>   | Council of Rectors of Chilean Universities   |
| <b>CTICC</b>   | Intraministerial Technical Committee on Climate Change                                     |
| <b>CTR-CC</b>  | Regional Technical Committee on Climate Change   |
| <b>DCCSE</b>   | Department of Climate Change and Ecosystem Services  |
| <b>ENCCRV</b>  | National Strategy for Climate Change and Vegetation Resources                              |
| <b>ERP</b>     | Emissions Reduction Programme  |
| <b>ERPA</b>    | Emission Reductions Payment Agreement  |
| <b>ESA</b>     | Environmental and Social Assessment  |
| <b>ESMF</b>    | Environmental and Social Management Framework  |
| <b>ESMP</b>    | Environmental and Social Management Plan   |
| <b>FCPF</b>    | Forest Carbon Partnership Facility   |
| <b>FPIC</b>    | Free, Prior and Informed Consent   |
| <b>FRL</b>     | Forest Reference Level   |
| <b>FREL</b>    | Forest Reference Emission Level  |
| <b>GCEBX</b>   | Management of Conservation of Forest and Xerophytic Ecosystems                             |
| <b>GCF</b>     | Green Climate Fund   |
| <b>GHG</b>     | Greenhouse Gas   |
| <b>INGEI</b>   | National Greenhouse Gas Inventory  |
| <b>MINAGRI</b> | Ministry of Agriculture  |
| <b>MINREL</b>  | Ministry of Foreign Affairs  |
| <b>MOp</b>     | Operating Manual   |
| <b>MRS</b>     | Grievance and Feedback Mechanism   |
| <b>MMA</b>     | Ministry of Environment  |
| <b>NDC</b>     | Nationally Determined Contribution   |
| <b>OIRS</b>    | Office of Information, Complaints and Suggestions  |
| <b>PASO</b>    | Office of Agrarian Studies and Policies  |
| <b>PAT</b>     | Technical Assistance Professionals   |
| <b>PCP</b>     | Public Tender Platform   |
| <b>PNDR</b>    | National Rural Development Policy  |
| <b>RAI</b>     | Annual Implementation Report   |
| <b>REDD+</b>   | Reduced Emissions from Deforestation, Forest Degradation and Increased forest carbon stock |
| <b>SAI</b>     | Secretary of Indigenous and Social Affairs   |
| <b>SCB</b>     | Co-Benefits System   |
| <b>SDGs</b>    | Sustainable Development Goals  |
| <b>SECOM</b>   | Secretariat of Communications  |
| <b>SEIA</b>    | Environmental Impact Assessment System   |
| <b>SEREMI</b>  | Regional Ministerial Secretariat   |
| <b>SGP</b>     | Project Management System  |
| <b>SIAC</b>    | Comprehensive Information and Citizen Attention System                                     |
| <b>SIS</b>     | Safeguards Information System  |
| <b>SMM</b>     | Measurement & Monitoring System  |
| <b>SNMF</b>    | National Forest Monitoring System  |
| <b>SSP</b>     | Property Monitoring System   |
| <b>UIG</b>     | Gender Equity Unit   |
| <b>UN</b>      | United Nations   |
| <b>UNCCD</b>   | United Nations Convention to Combat Desertification  |
| <b>UNFCCC</b>  | United Nations Framework Convention on Climate Change                                      |
| <b>WB</b>      | World Bank   |



# Glossary

# Glossary

**Financing agreement:** Contract or legal instrument established by mutual agreement with a financing source, which defines the framework for the implementation of a programme that seeks to contribute to the fulfilment of the objectives of the ENCCRV through the Benefit Sharing Plan (BSP).

**Adaptation:** It is the adjustment of human or natural systems in the face of new or changing environments. Adaptation to climate change refers to adjustments to human or natural systems in response to projected or actual climate stimuli or their effects, which can moderate damage or take advantage of its beneficial aspects. Different types of adaptation can be distinguished, including preventive and reactive, public and private, or autonomous and planned.

**Direct allocation:** An BSP mechanism that allows the population to access non-monetary benefits from the ENCCRV, through the identification or internal dissemination, submission, design, evaluation and selection of the initiatives presented by CONAF.

**CO<sub>2</sub> eq:** Carbon dioxide equivalent is a unit of measurement for estimating greenhouse gas emissions.

**Evaluation committee:** A committee comprised of CONAF professionals that is responsible for reviewing the quality, coherence and veracity of the information and documentation submitted by the applicants and the Technical Assistance Professional to determine the admissibility of the proposals on the Public Tender Platform.

**Public competition:** An BSP mechanism open to citizens that allows the population to access non-monetary benefits of the ENCCRV through the application, evaluation, and selection of initiatives.

**Collaboration agreement:** This document defines the rights and obligations of the forest owner(s) and CONAF, and initiates implementation of the projects.

**Deforestation:** Conversion of forests to non-forested areas based on a decrease in canopy cover or carbon density.

**Land degradation:** The reduction or loss of the productive capacity, both biological and economic, of the land. It is generally the product of human activities, exacerbated by natural processes, and often magnified by climate change and biodiversity loss.

**Devegetation:** This is the conversion of land composed of natural vegetation formations of xerophytic, herbaceous and/or shrub species to other land uses by human action or natural causes.

**Financing schedule:** This is the way in which a given financing agreement transfers resources to be distributed by the BSP to the beneficiary population. It may take the form of results-based payment, direct transfer of funds, or any other form that enables fulfilment of the objectives of the ENCCRV.

**Source of financing:** Corresponds to the public or private, national or international, bilateral or multilateral entity that provides resources through programmes to achieve the objectives of the ENCCRV through the BSP.

**Initiative/proposal:** This refers to the project concept submitted by the public through the public bidding process, or by CONAF through direct allocation, which will then be evaluated, awarded and implemented as a project.

**Distribution mechanism:** This refers to the way in which the non-monetary benefits are distributed to the beneficiary population through the BSP by means of public bidding or direct allocation.

**Evaluation mechanism:** This is the process through which initiatives are evaluated using variables and criteria that allow for the assignment of a score to facilitate their selection.

**Action measures:** Specific definition of the actions that make up an activity within the framework of the ENCCRV; these may have a specific impact on one of the causes, or may be transversal by simultaneously addressing two or more causes.<sup>1</sup> Direct Action Measures generate environmental, social, and economic benefits in the territory given their operational nature, while Enabling Action Measures are those that facilitate or enhance the implementation of Direct Action Measures.

**Applicant:** This is a person of legal age who supports the submission of an application to the BSP Public Tender, and may be the owner, the project holder or a third person who participates in the process through the Public Tender Platform.

**Results-based payment:** This refers to the ENCCRV's financing scheme for activities that generate emission reductions, for which there are international funds that consider compensation for removal and reduction of greenhouse gas emissions.

**Redistribution budget:** Corresponds to the resources linked to Territorial Projects in the annual regional budget that have not been requested. The resources that can be redistributed are those related to the allocations corresponding to "rural area", "rural population" and "multidimensional poverty index". These budget reallocations between regions can only be made based on the criteria defined in the participatory process carried out in 2024.

**Structural budget:** Corresponds to the total regional amount allocated, according to base allocation, rural area, rural population and multidimensional poverty, for the execution of Territorial Projects during the implementation period of each financing agreement.

**Residual budget:** Corresponds to the unspent amount of the total programme budget executed at the end of the implementation period of each funding agreement. It is conditional on this amount being less than USD 200 000, with the understanding that such an amount does not justify the effort of opening a new Public Tender.

**Technical assistance professional:** This is the person in charge of compiling information on the activities to be implemented in order to evaluate their feasibility. They provide technical advice and carry out the design and evaluation of the initiatives in agreement with the beneficiaries, ensuring the integrity of the projects according to the framework established in the ENCCRV.

**Programme:** The set of activities and related projects that are implemented under the framework of a common funding agreement to achieve the established goals, with their relevant milestones, reports, and indicators, and thus fulfil the objectives of the ENCCRV through the BSP.

**Project:** Refers to a specific initiative/proposal within the framework of a given programme that has been designed, evaluated and awarded financing, which can then be implemented and monitored.

**Enabling projects:** Projects designed to support and enhance the Enabling Action Measures established in the ENCCRV with the ultimate goal of not only facilitating the implementation of concrete actions, but also promoting interinstitutional collaboration, training of local actors, and active participation of affected communities, among others. These projects also seek to generate synergies among the positive environmental, social and economic impacts of the Territorial Projects, ensuring their sustainability, adaptation and relevance to local needs.

**Territorial projects:** These are projects that contribute to the Direct Action Measures of the ENCCRV and that generate direct environmental, social and economic benefits in the territories. They are characterized by an operational approach, seeking to integrate and strengthen local capacities, promote community participation, and ensure the sustainability of natural resources. Through a holistic approach, they should aim to improve the quality of life in local communities and foster inclusive and climate-resilient territorial development.

**Cross-cutting projects:** Projects that address elements associated with studies, research or developments that, although they are not linked to the Direct or Enabling Action Measures that contribute to the reduction/capture of emissions, do contribute to the work and implementation of the ENCCRV and to compliance with the Warsaw Framework.



<sup>1</sup> Drivers of deforestation, devegetation, degradation and problems in increasing the coverage and quality of vegetation resources in Chile as defined in the ENCCRV.

**Owner:** This is any person of legal age who has a registered and valid title deed and may be a natural or legal person. In addition, this person may be part of some type of co-ownership or succession agreement and is the one who signs the Collaboration Agreement with CONAF.

**Vegetation resources:** Refers to forests, according to the legal definition in force in Chile, as well as other native vegetation formations, including xerophytic formations as defined in Law No. 20,283 on Native Forest Recovery and Forest Development.

**Project holder:** This is the natural person in charge of making decisions about the initiative and receiving information on the different stages of the implementation process in coordination with the technical teams in the offices at the regional level.





# Preface

# Preface

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As part of the country's efforts to strengthen the National Strategy for Climate Change and Vegetation Resources (ENCCRV), the National Forestry Corporation (CONAF) updated the Benefit Sharing Plan (BSP) in response to the need to incorporate lessons learned from the implementation process of the ENCCRV's first results-based payment programme. In this regard, the territorial needs of the entire country were included, incorporating the vision of all 16 regions, through a national participatory process, which was executed both virtually and face-to-face, thereby addressing the gaps in access to the participation of key actors linked to vegetation resources.

Among the main modifications introduced in this new edition of the BSP, it is worth highlighting the inclusion of other financing schemes, other than the results-based payment scheme of the Reducing Emissions from Deforestation, Forest Degradation and Increase of Forest Carbon Stock (REDD+) approach. This ensures that the resources leveraged within the framework of the ENCCRV are mainly distributed in the territory and its communities, regardless of the financing scheme, and that such distribution is carried out in a fair, equitable and transparent manner.

In terms of territory, the scope of the BSP is expanded, moving from a subnational to a national approach, with the aim of addressing the vision and demands of the entire territory. This modification seeks to gradually integrate all regions into the allocation of resources. Also, and in contrast to the previous edition, which focused on the performance of emissions reduction, this document redefines the criteria for the allocation of resources at the regional level to increase efficiency, with an emphasis on demographic and social aspects. This new distribution approach marks a step towards greater territorial equity and is aligned with the diverse needs of the country.

At the administrative level, a direct allocation mechanism was established for the distribution of the residual balances of the ENCCRV Direct Action Measures and Enabling Action Measures. This mechanism also responds to the demand expressed by citizens after the participatory process carried out in 2024, making it possible to cover, for the first time, the entire national territory through the implementation of Enabling Action Measures. In addition, some processes were streamlined to reduce the administrative burden on the regional teams.

On the management side, new information technology platforms designed to optimize project management were incorporated. This includes the Public Tender Platform (PCP), which arises from the need to support and facilitate the submission of initiatives through a public tender. In addition, the Project Management System (SGP) is included, which makes it possible to manage initiatives both under the direct allocation mechanism and those linked to the bidding process, thus addressing administrative, financial, and technical aspects at the strategic level for the various programmes. These platforms expand the technical monitoring of projects beyond the REDD+ approach and strengthen the comprehensive management of initiatives and projects.

The fifth edition of the BSP is expected to help boost the sustainable management of ecosystems throughout the country, thus promoting the conservation and recovery of forests, vegetation resources and biodiversity. This edition is characterized by a marked social emphasis, as it is deeply linked to the dynamics of the rural communities in the territories, which represent the most vulnerable population and, at the same time, face on a daily basis the impacts generated by climate change, desertification, land degradation and drought.



# Summary

## Summary

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The National Forestry Corporation (CONAF) developed the National Strategy for Climate Change and Vegetation Resources (ENCCRV) as a public policy instrument that brings together a set of technical and operational elements, with the primary objective of reducing the social, environmental, and economic vulnerability generated by climate change, desertification, land degradation, and drought on vegetation resources and the human communities that depend on them. To address this challenge, the ENCCRV must leverage financing to implement actions in the territory, which requires a mechanism that allows the benefits to be distributed among the population.

In this general context, the Strategy has established a mechanism known as the Benefit Sharing Plan (BSP), which consists of a single national system that makes it possible to channel the benefits derived from the different financing schemes of the ENCCRV, including those of the results-based payment phase of the REDD+ approach. Its purpose is to distribute funds in a fair, equitable, and transparent manner, and its implementation aims to generate and promote environmental, social, and economic benefits.

Thus, the BSP is limited to the Chilean legal framework and, unlike the previous version, extends its scope to the national level and makes it possible to distribute benefits from various financing schemes. The benefits provided to the beneficiary population are non-monetary; however, they enable them to execute projects consistent with the goals and objectives of the ENCCRV. During the selection process, priority is given to groups with greater economic vulnerability, with special emphasis on women and indigenous and tribal peoples, as well as those capable of generating medium- and large-scale impacts, thereby improving the quality of life and well-being of the communities. The beneficiaries include small and/or medium landowners along with other types of beneficiaries.

For the operationalization of the BSP, governance is established based on the institutional arrangements that link the State and civil society for decision-making, together with the management instruments that provide the guidelines for each operational stage of the plan. The distribution of resources is based on four pillars: effectiveness, equity, justice and transparency, which operate at the national, regional and operational levels. After the selection or award of the initiatives, there are a series of milestones to be achieved during the implementation of these projects.

As for environmental and social safeguards, these are addressed in a cross-cutting manner throughout the entire process of project selection, awarding and implementation, seeking to guide the prevention and mitigation of risks and avoid potential negative socioenvironmental impacts, while maximizing the benefits associated with the implementation of the project.

All the above-mentioned actions are accompanied by a communications strategy designed to ensure that the information reaches a wide variety of potential beneficiaries, along with disseminating the importance of the ENCCRV's actions within the framework of the country's efforts to reduce the effects of climate change.

In addition, in order to address the guidelines and pillars of the BSP, and to provide monitoring and reporting on administrative, financial, and technical matters, CONAF has a series of interconnected systems in place to manage the administration and execution of funds and projects in a coordinated, integrated, and complementary manner.

It should also be noted that CONAF has extensive experience in the implementation of Territorial Projects, which guarantees the technical quality and effectiveness of the interventions. In addition to the provisions set forth in this document, it is essential that the entire process be transparent, traceable and auditable, thereby ensuring its security and integrity.



1

# Introduction

# Introduction

The National Strategy for Climate Change and Vegetation Resources<sup>2</sup> (also the “Strategy” or “ENCCRV”) has provided for the creation of the Benefit Sharing Plan (also the “Plan” or “BSP”), which aims both to enhance the role of the country’s vegetation resources in climate change mitigation and adaptation and to improve the quality of life of its inhabitants. The effectiveness of the REDD+ approach (Reducing Emissions from Deforestation and Forest Degradation, as well as Increasing Forest Carbon Stocks) depends on its ability to generate benefits and co-benefits for local communities. To this end, the Action Measures of the Strategy have been implemented, which are aimed at increasing, sustainably managing and conserving vegetation ecosystems, as well as reducing their rates of devegetation and degradation.

As a result, the country’s Benefit Sharing Plan facilitates the application of the REDD+ approach in the national territory, through the National Forestry Corporation (also the “Corporation” or “CONAF”) in its capacity as the National Focal Point. To meet its goals and objectives, the Strategy considers different financing schemes to leverage the resources necessary to finance its actions. In this regard, there is a financing scheme associated with the results-based payment mechanism, which depends on the country’s ability to demonstrate greenhouse gas (GHG) emission reductions. These reductions can be measured, reported, and verified in the form of tonnes of carbon dioxide equivalent (CO<sub>2</sub>eq), making it possible to receive resources from various funding sources. In addition, the ENCCRV considers obtaining resources through other types of financing schemes, which are not necessarily linked to results-based payment; these resources may also be transferred to the general public through the BSP (Figure 1).

|   | Concept  | Definition  | Examples               |                                       |
|---|--|---|------------------------|---------------------------------------|
| Flow of resources received by the country | Financing mechanism                                    | Form of operation by which a given financing agreement transfers resources  | Results-based payments | Direct allocation by State Budget Law |
|   | Source of financing                                    | Entity that provides financing  | Green Climate Fund     | State of Chile                        |
|   | Financing agreement                                    | Contract or legal instrument, which establishes the framework for the implementation of a programme   | Transfer Agreement     | Legal instrument                      |
|   | Programme  | Set of activities, projects, operations, human resources and acquisitions of goods and services, which are implemented within the framework of common financing | +Bosques Project       | Conservation programme                |
|   | It allows the objectives of the ENCCRV to be fulfilled |   |                        |                                       |
|   | Resources are channeled through the SDB                |   |                        |                                       |

Figure 1. Flow of resources received by the country

Source: Own elaboration



<sup>2</sup> National Strategy for Climate Change and Vegetation Resources, in its current version. Available at: <https://www.enccrv.cl/>

For the creation of the BSP, the Corporation has defined a series of guidelines that seek to guarantee that the resources received by the ENCCRV are transferred to the population in a fair, efficient, equitable and transparent manner. Understanding the regulations that underpin this system requires first analysing the context of climate change and how the country fits into the world scenario with respect to this phenomenon.

## 1.1 General context

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Chile is highly vulnerable to climate change as it meets seven of the nine vulnerability criteria defined by the United Nations Framework Convention on Climate Change (UNFCCC). Among the foreseeable impacts of climate change are increased temperatures, decreased precipitation, changes in sea level, salinization and desertification of land, reduced water availability, reduction of glaciers, increased air pollution and an increase in the risk of natural disasters. By 2030, for example, the temperature is expected to increase by at least 0.5 °C in the southern and extreme southern areas of the country, and by 1.5 °C in the northern area and Andean plateau according to the scenario of lower greenhouse gas emissions (MMA, 2017). In addition, the UNESCO report (2012) indicates that this increase in temperature will affect the accumulation of snow in the Andes Mountains, also increasing the risk of winter floods and decreasing the flow of water available in the basins during the summer.

In context, approximately 63 percent of the national territory is covered by vegetation resources, of which 23 percent is classified as forest land, with 19 percent corresponding to native forest (14 666 732 ha) and 4 percent to forest plantations, while 40 percent of the surface area is composed of grassland and shrub formations (CONAF, 2023). In addition, a significant proportion of the territory corresponds to shrublands that have replaced native forest after its destruction (Miranda et al., 2016), but that have potential for restoration, as well as other degraded lands that currently lack tree vegetation and that also have the potential to be afforested with native species (CONAF, 2016).

Considering the current global scenario of climate change, deforestation and land degradation, the protection, restoration and conservation of the unique vegetation resources of each region is an urgent global priority. Chile, with its wide variety of ecosystems, is no exception (CONAF, 2016).

## 1.2 International context

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In the mid-1990s, climate change began to influence global decision making in countries. Today, more than 30 years later, there is enough scientific evidence to recognize the need to confront this problem. In response, numerous international agreements and instruments have been signed that seek to establish guidelines and, in some cases, commit countries to reduce emissions and mitigate the impacts of human activities on the climate (CONAF, 2017).

In response to the global challenges that must be addressed to achieve sustainability, Chile has ratified the commitments of the Earth Summit held in Rio de Janeiro (1992), including the UNFCCC, the United Nations Convention to Combat Desertification (UNCCD) and the Convention on Biological Diversity (CBD). In addition, in 2015, Chile formally pledged to actively participate in achieving the Sustainable Development Goals (SDGs) of the United Nations' Agenda 2030 programme. In the same year, the country submitted its Nationally Determined Contribution (NDC) to the UNFCCC Secretariat, which established its commitment to support the implementation of actions that contribute to combating climate change and its effects, as well as to protecting, restoring and promoting the sustainable use of terrestrial ecosystems, managing vegetation resources in a sustainable manner, combating desertification to halt and reverse land degradation, and reversing the loss of biodiversity.

*The United Nations Framework Convention on Climate Change (UNFCCC) is the primary international agreement to address climate change. Its objective is “the stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system”, bearing in mind that this level must be achieved within a timeframe sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened, and to allow economic development to continue in a sustainable manner (UNFCCC, n.d.).*

*The Convention on Biological Diversity (CBD) is an international agreement that addresses biodiversity conservation as an essential development issue. It covers all ecosystems, species, and genetic resources and seeks to balance conservation through the sustainable use of these resources. It sets out principles for fair sharing of benefits arising from the use of genetic resources and addresses biotechnology and biosafety. It is also legally binding, obliging countries to follow its provisions, and promotes a philosophy of sustainable use by recognizing that resources are not infinite (CBD, 2000).*

*The UN Convention to Combat Desertification (UNCCD) is the only legally binding framework established to address desertification and the effects of drought, bringing together 197 Parties, including 196 countries and the European Union. Based on the principles of participation, partnership, and decentralization, the Convention is a multilateral commitment to mitigate the impact of land degradation and protect land to provide food, water, shelter, and economic opportunities to all (UNCCD, n.d.).*

### 1.2.1 REDD+ approach

In 2005, within the framework of the UNFCCC, a series of discussions were initiated with a view to making progress in mitigating climate change, encouraging developing countries to adopt policies and incentives designed to reduce emissions caused by deforestation and forest degradation, promote the conservation and sustainable management of forests, and increase forest reserves, which is known as the REDD+ approach (UNFCC Secretariat, 2016).

Based on this approach, the UNFCCC's Conferences of the Parties (COPs) have taken decisions to move forward with the implementation of national programmes and to encourage developed countries to provide technical and financial support for developing countries so that, through economic incentives, they can reduce their emissions and/or increase GHG captures (removals).

Thus, for the implementation of these national programmes, it is recommended that they be developed in three phases:

- 1 **Preparation phase:** The political, technical, social and institutional elements and interrelationships of each country are analysed and conceptually elaborated.
- 2 **Pilot and implementation phase:** Execution and testing of early territorial implementation actions that allow the evaluation (or piloting) of the institutional and technical arrangements.
- 3 **Results-based (performance-based) phase:** A financial reward is provided to countries that are able to verify, by the appropriate independent entities, the emission reductions associated with actions implemented under the REDD+ approach.



The implementation of the REDD+ approach was defined at the 19th meeting of the Conference of the Parties (COP 19) in 2013, where the four pillars of the Warsaw Framework were established:

- Formulate a National REDD+ Strategy or Action Plan.
- Establish a Forest Reference Emission Level (FREL)/Forest Reference Level (FRL).
- Establish a National Forest Monitoring System (SNMF).
- Design and implement a Safeguards Information System (SIS).

*The main objective of FREL/FRL is to characterize historical GHG emissions resulting from deforestation and forest resource degradation, as well as the absorptions resulting from increased forest carbon stocks and forest conservation and sustainable management, with a forward-looking vision. This FREL will serve as a point of comparison to measure the performance of the policies and actions prioritized in the ENCCRV.*

### 1.3 National context

In June 2022, Law No. 21,455, the Framework Law on Climate Change (LMCC), was published in the Official Gazette, which aims to face the challenges presented by climate change. Among its main objectives are to move towards low emissions of greenhouse gases and other climatic factors, until achieving and maintaining neutrality of greenhouse gas emissions by 2050. At the same time, it seeks to adapt to climate change, reducing vulnerability and increasing resilience to its adverse effects in order to comply with the international commitments assumed by the State of Chile in this matter (BCN, 2022).

This law represents a significant step forward for the country, since Chile did not have a legal framework that would allow assigning responsibilities for reducing emissions, or require the implementation and reporting of measures for mitigating emissions and adapting to the impacts of climate change. The LMCC, in this regard, is crucial since it establishes the fight against climate change as a state policy and defines the mechanisms that the country will use to face this challenge (Government of Chile, 2022).



Another milestone to highlight in terms of climate change includes the commitment assumed by the country under the Paris Agreement, where Chile's Long-Term Climate Strategy (ECLP) was presented, which defines the roadmap to be followed over the coming decades to achieve carbon neutrality and climate resilience (MMA, 2021).

To meet these challenges, CONAF<sup>3</sup> is spearheading the development of the National Strategy for Climate Change and Vegetation Resources (REDD+ National Programme) through its Department of Climate Change and Ecosystem Services (DCCSE) under the Office for Forest and Xerophytic Ecosystems Conservation (GCEBX), in its role as REDD+ focal point for the UNFCCC and the UNCCD focal point.

### 1.3.1 National Strategy for Climate Change and Vegetation Resources

The ENCCR was developed by CONAF for the period 2017–2025, as part of the national efforts on climate change, as well as combating desertification, land degradation and drought. The initiative brings together a set of activities and Action Measures in the technical and operational areas with the main objective of:

*(...) reducing the social, environmental, and economic vulnerability of vegetation resources and the human communities that depend on them generated by climate change, desertification, land degradation, and drought, in order to increase ecosystem resilience and contribute to mitigating climate change by promoting the reduction and capture of greenhouse gas emissions in Chile (...) managing mechanisms for assessing and valuing the environmental services provided by native vegetation resources, including pay-for-performance systems that respect benefit sharing and environmental and social safeguards.*

<sup>3</sup>

Chile's Ministry of Foreign Affairs, the UNFCCC Focal Point in the country, appointed CONAF as REDD+ Focal Point in 2014, with approval from the Ministry of the Environment (MMA).

The implementation of the Strategy, therefore, incorporates climate change adaptation and mitigation actions following the guidelines of the UNFCCC, the UNCCD and the CBD, among others. This international framework is complemented by an extensive participatory process and a series of technical studies aimed at identifying the main causes of deforestation, degradation and the non-increase of forest carbon stocks. On the basis of these inputs, the activities and Action Measures to address these causes are defined. The actions may be specific or transversal and are classified as either Direct Actions, which generate environmental and social benefits, or Enabling Actions that support the implementation of the Direct Actions. Activities include afforestation, ecosystem restoration, forest management, fire prevention, and environmental education, among others.

The participatory process for formulating the ENCCRV was comprehensive and approached from a gender and intercultural perspective. This process included three stages: a) holding participatory workshops in all regions of the country and a national workshop;<sup>4</sup> b) a process of validation of these results through self-assessment, dialogue, and indigenous participation;<sup>5</sup> and c) an online citizen consultation.<sup>6</sup> In total, more than 4 000 people participated in these events.

It should also be noted that, in the context of the development of the ENCCRV, the country has complied with international guidelines for quantifying forest carbon emissions and absorptions in a given historical period. As a result, progress has been made in methods for measuring and monitoring carbon flows over time, as well as in mechanisms to address and ensure compliance with the associated environmental and social safeguards.

The following is Chile's progress in implementing REDD+ with respect to the Warsaw Framework:

- **REDD+ Strategy:** approved by the Council of Ministers for Sustainability at its meeting on 14 November 2016.
- **Forest Reference Emission Level/Forest Reference Level:**<sup>7</sup> approved in 2016 by the expert panel of the UNFCCC and the Forest Carbon Partnership Facility (FCPF).<sup>8</sup> In 2024, a new expanded reference level was submitted to the UNFCCC covering the area from the Coquimbo Region to the Magallanes Region.
- **National Forest Monitoring System:**<sup>9</sup> published in 2018 within the framework of the ENCCRV.
- **Safeguards Information System (SIS):**<sup>10</sup> implemented on the ENCCRV platform in 2021.

In accordance with the above, Chile has the conditions established in the Warsaw Framework, which initiated the results-based payment phase under the REDD+ approach. In this regard, during COP 25, agreements were formalized with two of the most recognized global funds in terms of financing for the reduction of emissions through the implementation of the ENCCRV activities:

- The FCPF's Carbon Fund through the Emissions Reduction Programme (ERP) and the signing of its Emission Reductions Payment Agreement (ERPA) managed by the World Bank (WB).
- The Green Climate Fund (GCF), which is the official source of funding for the UNFCCC to assist developing countries in climate change adaptation and mitigation.



<sup>4</sup> Information Note N°25: Participation as a tool for the formulation of the National Strategy for Climate Change and Vegetation Resources (ENCCRV) of Chile. Available at: <https://www.enccrv.cl/nota-informativa-25>

<sup>5</sup> Information Note No. 21: Self-assessment process of the National Strategy for Climate Change and Vegetation Resources of Chile. <https://www.enccrv.cl/nota-informativa-21>

<sup>6</sup> Information Note No. 12: Citizen Consultation Process for Validation and Strengthening of Chile's National Strategy on Climate Change and Vegetation Resources (ENCCRV) (2017-2025). <https://www.enccrv.cl/nota-informativa-12>

<sup>7</sup> Forest Reference Emission Level/Subnational Forest Reference Level of Chile. <https://www.enccrv.cl/nref>

<sup>8</sup> Contained in decision 13/CP.19, paragraph 1.

<sup>9</sup> Measurement and Monitoring System of the National Strategy on Climate Change and Vegetation Resources. <https://www.enccrv.cl/smm>

<sup>10</sup> Advances in the design and implementation of the Safeguards Information System of Chile's National Strategy on Climate Change and Vegetation Resources (ENCCRV) 2017-2025. Available at: <https://www.enccrv.cl/avance-implementacion-sis>



It should be noted that both funds require compliance with the guidelines defined in the Warsaw Framework to make results-based payments. This includes complying with legal requirements and designing a national BSP to channel resources to the beneficiary population. In 2020, the execution of the financing agreement with the GCF began through the implementation of pilot initiatives in the area between the Maule and Los Lagos Regions.

Although Chile prepared the ENCCRV at the national level until 2024, the country's FREL/NRF only covered the territory from the Maule Region to the Los Lagos Region. This is because these regions are home to the forest area with the greatest representation of forest dynamics, which is where emissions monitoring is focused. Therefore, in a first stage, the results-based payment phase was carried out at the subnational level. However, both the ENCCRV and the BSP are eligible to receive funds from financing agreements that do not necessarily fall under the results-based payment scheme.

Given that the period of implementation of the ENCCRV ends in 2025, during 2022 a process of updating this policy was initiated, which included an analysis of the Action Measures with the aim of standardizing them and evaluating their applicability. During 2024, a series of participatory processes were carried out at the national level with various key actors related to vegetation resources to update the causes of deforestation, devegetation, degradation and non-increase of vegetation resources. In addition, throughout the different stages of the ENCCRV, progress was made at the national level on topics related to vegetation resources and climate change, such as the LMCC and the ECLP, among others. In light of these initiatives and the lessons learned since the implementation of the Strategy, it was determined that the Action Measures and associated targets need to be adjusted to ensure full achievement of the objectives at the national level. In this context, the BSP is a mechanism that facilitates the implementation of the ENCCRV and is valid for all updates of the Strategy.



# 2

## Objectives and guidelines

## Objective and guidelines

The concept of benefit-sharing in the framework of REDD+ derives from paragraph 72 of the Cancun Agreement, which establishes that the parties involved must ensure the full and effective participation of the people interested in developing and implementing their REDD+ strategies; for example, the implementation must consider indigenous peoples and local communities (FCCC, 2010). This document, therefore, presents the general outlines of the Plan within the framework of the implementation of the ENCCRV.

*The Benefit-Sharing Plan is a management instrument that establishes the cross-cutting guidelines for the allocation of resources received through any financing scheme to meet the objectives of the ENCCRV.*

Consequently, it is a single national system that allows the beneficiary population to access the benefits channelled through different financing schemes, including those in the results-based payment phase under the REDD+ approach, thereby complying with the requirements established by the UNFCCC and the guidelines of the financing sources that channel these payments.

*Its objective is to channel the funds obtained through the financing schemes of the ENCCRV in a fair, equitable and transparent manner. This system allocates resources to the beneficiary population through the implementation of projects designed to reduce the social, environmental, and economic vulnerability of vegetation resources and human communities to climate change, desertification, land degradation, and drought.*

The cross-cutting guidelines of the BSP are set out below:

- Participatory elaboration: The design and updating of the Plan was based on various participatory processes that guaranteed the inclusion of the key actors linked to the vegetation resources.
- Definition of beneficiary population: The distribution of benefits prioritizes the sectors most vulnerable to climate change, with an emphasis on women and indigenous and tribal peoples, while excluding large landowners and companies.
- Definition of benefits: The benefits provided to the beneficiary population are non-monetary in nature and consist of supporting the development of projects that aim to contribute to the implementation of the Action Measures of the ENCCRV, which translate into obtaining economic, environmental and social benefits.
- Effective implementation: The implementation is carried out by means of standardized procedures within established deadlines that make it possible to comply with the commitments made to the beneficiaries and ensure sustainability over time through various control and monitoring mechanisms.
- Efficient implementation: Implementation is carried out through standardized procurement processes that ensure the competitiveness of the bids. This makes it possible to execute investments at an efficient cost, including actions aimed at leveraging economies of scale and co-financing to maximize the results and benefits of the interventions.

- **Transparent processes:** Resources provided for the implementation of activities are allocated through a transparent, fair, objective, and previously informed process, including publication and dissemination of results.
- **Decentralization:** The BSP is developed within a decentralized and binding governance framework that integrates the various regional actors associated with vegetation resources, both from the public and private sectors. In this way, a permanent representation of the different sectors of society is maintained, with special emphasis on the beneficiary population.
- **Scope:** The distribution of benefits, materialized through the BSP, operates on a national scale, which allows resources to be allocated to the beneficiary population throughout the country.

## 2.1 Design of the Benefit-Sharing Plan

With the formulation of the ENCCRV for the period 2017–2025, the first inputs for the preparation of the BSP were collected. During the period 2018–2019, the first three versions of the document were developed based on the results of the participatory processes linked to the design of the Strategy. However, it was in the fourth version that progress was consolidated and a participatory process was carried out with a subnational approach. This version was designed and strengthened based on the results of two additional participatory processes carried out in 2019 and 2020 (Figure 2).

The objective of the workshops at that time was to promote dialogue among the participants in order to gather opinions, proposals and suggestions based on their knowledge and experience on governance issues, the modality of benefit sharing and the identification of risks for the formulation and implementation of the BSP. These events were attended by representatives of the various sectors of society that are part of the relevant groups identified during the formulation of the ENCCRV.

The fourth version of the BSP was implemented with GCF resources during the period 2022–2024 (see results in Annex 2). This action made it possible to capture various lessons learned that eventually led to the need to update the BSP document. In this regard, and in line with the country's climate change ambitions and commitments, the decision was made to expand the BSP to the national scale in 2024. To this end, a third participatory process was carried out to obtain inputs for this update. In this new process, virtual and face-to-face participatory events were developed that included the 16 regions of the country, with the participation of the key sectors of society linked to vegetation resources. The results of the participatory processes are available in Annex 1.

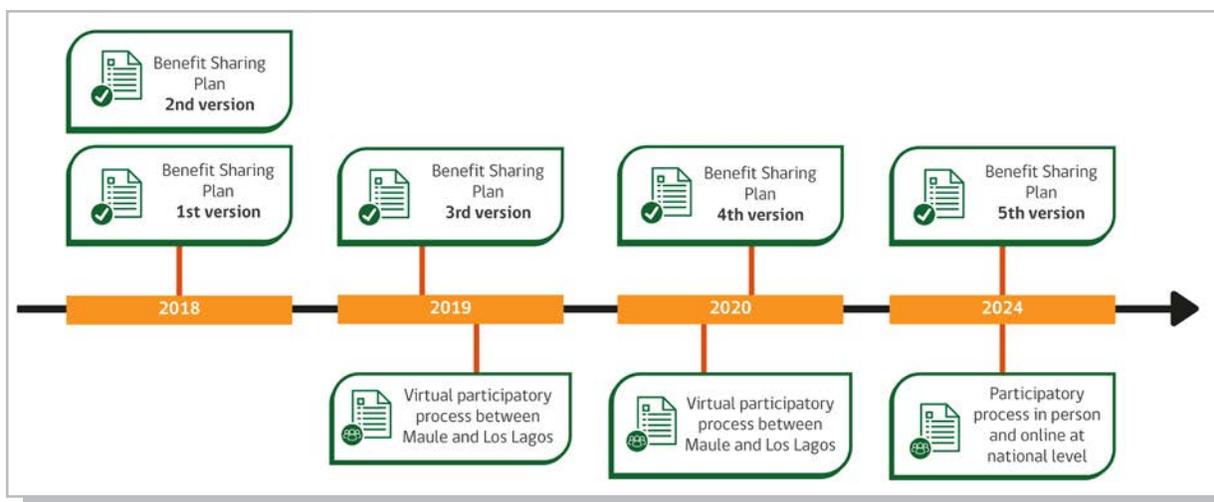
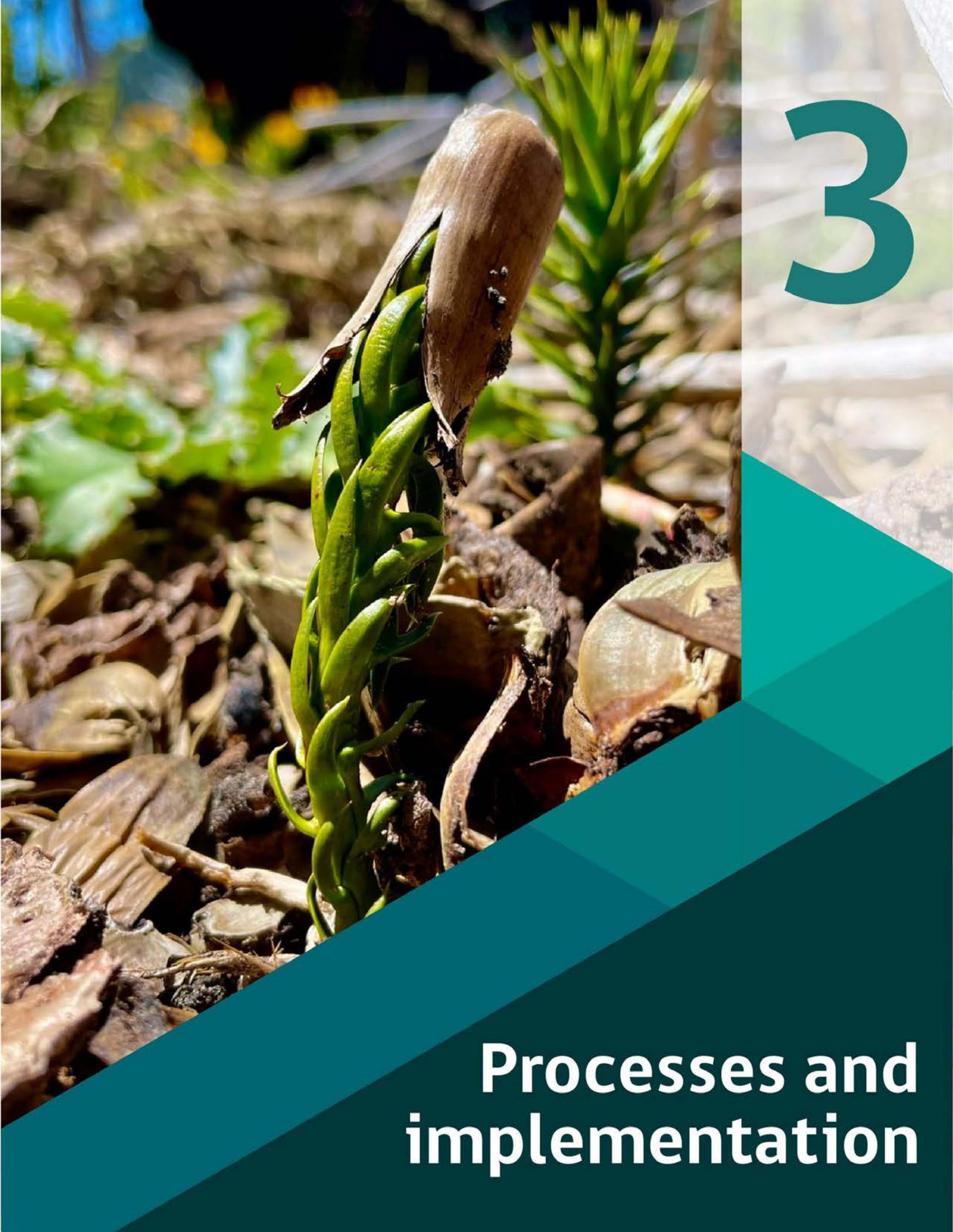


Figure 2. Timeline: creation of the BSP and participatory processes

Source: Own elaboration





3

**Processes and  
implementation**

# Processes and implementation

Implementing the BSP and achieving its objective requires a series of definitions that outline its scope and operation. The purpose of this chapter is to describe these elements in detail, as well as the legal context in which the Plan is inserted, establishing the legal framework for action and its territorial approach.

First, it is important to define both the characteristics of the benefits provided and the beneficiary population, their typologies and exclusions. In this regard, the Plan establishes that the benefits are of a non-monetary nature, that is, that the financing is channelled directly to the implementation of the projects, thus guaranteeing the execution of the activities in the territories. The beneficiary population, which includes both natural and legal persons, is classified by typology according to characteristics such as land tenure, productive activities, income and assets, among others.

Once the above elements have been defined, this section describes the governance mechanism that regulates the implementation processes of the BSP and the associated management documents, explaining CONAF's role and its relationship with the institutions that participate in the various regional and national entities, both within the Ministry of Agriculture (MINAGRI) as well as between other ministries and society in general. It should be noted that the regional REDD+ groups formed for the implementation of the BSP, in which the main sectors linked to the territories and vegetation resources participate, play a key role in the Plan through their responsibilities for decision-making at the local level.

Due to the national scale of the BSP, this section also describes how resources will be distributed administratively. To this end, and as part of the criteria that will guide its operationality, four pillars have been established for the distribution of resources among the regions: effectiveness, equity, justice and transparency. In addition, the two mechanisms used for the allocation of benefits, namely the Public Tender Process and Direct Allocation, will be explained.

Finally, the compliance of the BSP with environmental and social safeguards is highlighted, given that this is a cross-cutting element of the Strategy. All of the dimensions related to this aspect are detailed in chapter "4.8.1 Safeguards management in project implementation", together with the respective Operational Manual (MOp), hereinafter MOp, which accompanies this document.

## 3.1 Legal framework

The BSP has been designed under the Chilean legal framework,<sup>11</sup> which includes the following national laws and regulations associated with the implementation of the ENCCR:

- Political Constitution of the Republic.
- Law No. 20,283 on Native Forest Recovery and Forestry Development.
- Supreme Decree No. 68 of 2009, of the Ministry of Agriculture, which establishes, approves and formalizes the list of tree and shrub species native to the country.
- Supreme Decree No. 93 of 2008, issued by the Ministry of Agriculture, approving the General Regulations of the Law on Native Forest Recovery and Forest Development.
- Supreme Decree No. 82 of 2010, of the Ministry of Agriculture, which approves the Regulations on Soils, Water and Wetlands.
- Decree-Law No. 2565 of 1979, of the Ministry of Agriculture, supersedes Decree-Law No. 701 of 1974, which subjects forest lands to the provisions set forth therein.
- Supreme Decree No. 193 of 1998, of the Ministry of Agriculture, approving the General Regulations of Decree-Law No. 701 of 1974 on Forestry Development.
- Supreme Decree No. 259 of 1980, of the Ministry of Agriculture, approving the Technical Regulations of Decree-Law No. 701 of 1974 on Forestry Development.
- Forest Law, contained in Supreme Decree No. 4,363 of 1931, of the Ministry of Lands and Colonization, approving its final text.



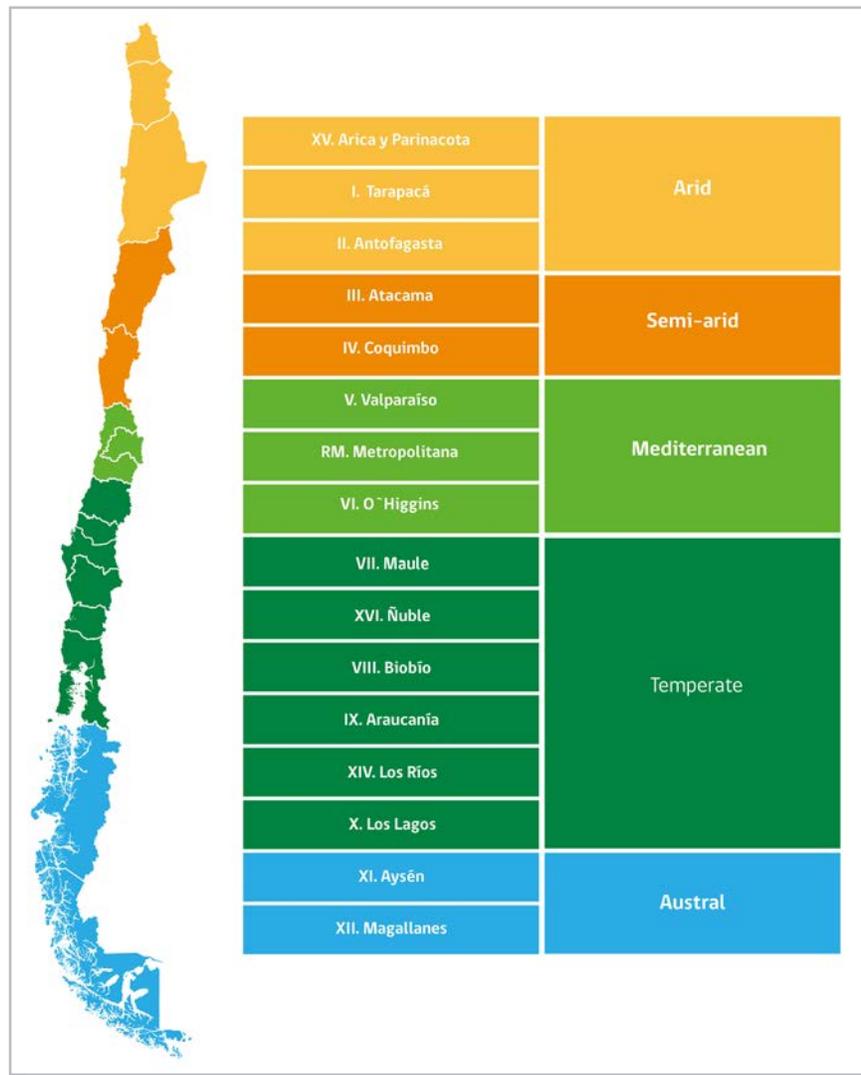
<sup>11</sup> The international treaties included in this list as part of the country's legal framework have undergone the corresponding ratification processes and are therefore included in the current national legislation.

- Law No. 19,300 on the General Bases of the Environment.
- Law No. 20,500 on Associations and Citizen Participation in Public Administration.
- Law No. 19,253 establishing rules on the protection, promotion and development of indigenous men and women and establishing the National Indigenous Development Corporation.
- Law No. 20,249, which establishes the creation of Coastal Marine Areas of Indigenous Peoples (ECMPO).
- Decree-Law No. 1939 of 1977 on Rules for the Acquisition, Administration and Disposal of State Property.
- Law No. 19,880, which establishes the Bases of the Administrative Procedures that Govern the Acts of the State Administration Bodies.
- Law No. 19,886 on Administrative Contracts for the Supply and Provision of Services.
- Supreme Decree No. 250 of 2004, issued by the Ministry of Finance, approving the implementing regulations under Law No. 19,886 on administrative contracts for the supply and provision of services.
- Decree No. 236 of 2008, of the Ministry of Foreign Affairs, promulgating Convention No. 169 concerning Indigenous and Tribal Peoples in Independent Countries of the International Labour Organization.
- Supreme Decree No. 66 of 2013, corresponding to the Ministry of Social Development, which approves the regulations of the indigenous consultation procedure, by virtue of Article No. 1 letter a) and No. 2 of Convention No. 169 of the International Labour Organization.
- Law No. 20,417 of 2010, which creates the Ministry of the Environment, the Environmental Assessment Service, and the Superintendence of the Environment.
- Supreme Decree No. 40 of 2012, of the Ministry of the Environment, which establishes the regulations of the Environmental Impact Assessment System.
- Law No. 17,288 on National Monuments.
- Law No. 21,045 creating the Ministry of Culture, Arts and Heritage.
- International Standard for Phytosanitary Measures No. 15. Exempt Resolution No. 133 of 2005, of the Agriculture and Livestock Service (SAG), which establishes quarantine regulations for the entry of wooden packaging.
- Supreme Decree No. 531 of 1967, issued by the Ministry of Foreign Affairs, promulgates the Convention for the Protection of the Flora, Fauna and Natural Scenic Beauty of the Americas.
- Supreme Decree No. 141 of 1975, also issued by the Ministry of Foreign Affairs, promulgating the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Supreme Decree No. 1963 of 1995, of the Ministry of Foreign Affairs, promulgates the Convention on Biological Diversity (CBD).
- Supreme Decree No. 123 of 1995, of the Ministry of Foreign Affairs, promulgating the United Nations Framework Convention on Climate Change (UNFCCC).
- Supreme Decree No. 1,546 of 2009, corresponding to the Ministry of Justice, approving amendments to the Statutes of the National Forestry Corporation (CONAF).
- Federal Decree No. 594 of 1960, of the Ministry of Finance, establishes the functions and structure of the Ministry of Agriculture.
- Decree No. 67 of 1980, of the Ministry of Agriculture, granting the Regional Ministerial Secretaries (SEREMIs) of Agriculture the powers and legal authority indicated.
- Exempt Decree No. 360 of 2017, of the Ministry of Agriculture, which creates the Intra-Ministerial Technical Committee on Climate Change (CTICC).
- Agreement No. 21 of 2014, of the Council of Ministers for Sustainability, which approves the National Plan for Adaptation to Climate Change.
- Decree No. 209 of 2022, corresponding to the Ministry of Foreign Affairs, promulgating the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean and its Annex 1.
- Law No. 21,455 of 2022, Climate Change Framework.
- Decree No. 771 of 1981 promulgating the Convention on Wetlands of International Importance, especially as habitat for waterfowl, signed in Iran on 2 February 1971.
- D.F.L. No. 5 of 1968, corresponding to the Ministry of Agriculture, which modifies, complements and fixes the consolidated text of D.F.L. R.R.A. No. 19, related to agricultural communities.
- Decree Law No. 2,247 of 1978, also issued by the Ministry of Agriculture, which amends and supplements Law No. 16,640.
- Law No. 19,118, which grants benefits to land buyers derived from the agrarian reform and modifies various legal bodies.
- Decree No. 680 of 1990, pertaining to the Ministry of the Interior, which approves instructions for the establishment of public information offices of the State administration.
- Law No. 20,285 on Access to Public Information.
- Law No. 20,416, which establishes special rules for smaller enterprises.
- Law No. 21,600, which creates the Biodiversity and Protected Areas Service and the National System of Protected Areas.
- Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) adopted in 1979, and ratified by Chile in 1989.

- Inter-American Convention on the Prevention, Punishment and Eradication of Violence against Women (Convention of Belém do Pará), of the Organization of American States (OAS), which was approved and signed in 1994.
- Law No. 18,415 of 1985, of the Ministry of the Interior, which is the constitutional organic law on states of emergency.
- Supreme Decree No. 19 of 2020, of the Ministry of the Interior and Public Security, which establishes the National Rural Development Policy (PNDR).

### 3.2 National approach

The delivery of benefits in Chile faces the challenge of covering the extensive national territory, which is formally organized into political and administrative divisions consisting of 16 regions. The territory has been divided into five macrozones, each of which is characterized by diverse climates and geographies, as well as cultural, ecosystem and vegetative resource differences. These characteristics, in turn, reflect the different needs and challenges in each macrozone that require a specific approach for their proper inclusion (Figure 3).



**Figure 3.** Regions of Chile grouped by macrozones

**Source:** Own elaboration

The national or international resources to be distributed through the BSP have a national scope and their specific characteristics are detailed in the following chapters, specifically, in "4.6 Distribution of resources" and "4.7 Operability of distribution mechanisms".

### 3.3 Benefits

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The economic resources channelled through the BSP are intended to benefit the populations that participate in the implementation of activities that fall within the framework of the ENCCRV.

With each new leverage of funds, a new financing phase is activated, which is managed through the BSP. In addition, it should be noted that the benefits provided to the beneficiary population are not monetary, but rather enable them to execute projects that are consistent with the goals and objectives of the ENCCRV.

The funding also seeks to generate environmental, social and economic benefits in the communities, which are described below:

- **Carbon-related benefits:** These are afforestation, revegetation, restoration, sustainable management and conservation activities that generate carbon capture.
- **Environmental co-benefits:** These are related to the reduction of emissions and the improvement or maintenance of ecosystem functionality. They may include aspects such as the regulation of water resources, soil resource conservation, and biodiversity conservation, among others.
- **Economic co-benefits:** The delivery of biological capital not only boosts on-farm production, but also promotes activities that seek to increase the economic income of the beneficiaries, such as the development of tourism, the diversification of forestry, agriculture and livestock ventures or other similar activities.
- **Social co-benefits:** These contribute to human well-being in two main areas: socioeconomic, by improving livelihoods and, for example, increasing family income, and socio-cultural by strengthening traditional ways of life, such as cultural practices and values.

### 3.4 Beneficiary population

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Refers to any natural or legal person, organized individually or collectively, who may benefit from the implementation of the activities associated with the Action Measures of the Strategy. These, in turn, are defined based on the following purposes:

- Reduce the social, environmental and economic vulnerability of vegetation resources and the human communities that depend on them to climate change, desertification, land degradation and drought. Accordingly, priority will be given to those groups with the greatest economic vulnerability, with special emphasis on women and indigenous and tribal peoples.
- Restoration of ecological functionality that promotes the rehabilitation of eroded soils, hydrological cycles and the recovery of landscapes and ecosystems affected by forest fires, disasters or other degradation factors, along with conservation actions, protection of natural areas or areas of ecological value and ecological restoration. In this context, groups are included that are capable of generating medium- and large-scale impacts, which improve the quality of life and well-being of communities.

#### 3.4.1 Beneficiaries

For the purposes of the BSP, the following definitions of beneficiaries have been established, which are valid solely and exclusively for this mechanism and the allocations of benefits that derive from it.

**Smallholder (individual):** A natural person who holds title to one or more rural properties and who meets the following characteristics:

- That the total value of their assets, that is, movable and immovable property, excluding the value of land itself, does not exceed the equivalent of 3 500 UF.<sup>12</sup>



<sup>12</sup> The Unidad de Fomento (UF) is a unit of account used in Chile and is a non-circulating currency. The exchange rate between the UF and the Chilean peso is regularly adjusted for inflation, so that the value of the Unidad de Fomento remains almost constant on a daily basis when inflation is low.

- The sum of their properties in Regions I, II, III, IV and XV totals less than 500 ha; less than 800 ha in Regions IX, X, XI and XII, including the district of Lonquimay; and less than 200 ha in Regions V, VI, VII, VIII, XIII, XIV and XVI.

**Smallholder (collective):** A group of individuals constituted under a legal personality or grouped informally, whose members, in their totality, have the quality of small-scale individual landowners, according to the above definition.

**Smallholder (collective) according to special rules:** This definition considers all individuals established in:

- Agricultural communities according to D.F.L. No. 5 of 1968, of the Ministry of Agriculture.
- Indigenous communities governed by Law No. 19,253 of the Ministry of Planning and Cooperation.
- Communities on common property resulting from the Agrarian Reform process under Law No. 19,386 of the Ministry of Agriculture and related regulations.
- Rainfed agricultural communities established under Article 1 of Legislative Decree No. 2,247 of 1978, of the Ministry of Agriculture, which amends and supplements Law No. 16,640.
- Communities covered by Article 6 of Law No. 19,118 of 1992, of the Ministry of Agriculture.

**Medium-scale landowner (natural person):** This refers to any natural person or community that has title to one or more rural properties and that does not meet the requirements established in the definition of smallholder, whether individually, collectively or according to special regulations. The delivery of benefits for these beneficiaries is conditional on a minimum co-financing,<sup>13</sup> as established in the following income ranges:

- Tranche 1: Minimum co-financing of 25 percent for persons whose income exceeds 120 UTM<sup>14</sup> and does not exceed 310 UTM.
- Tranche 2: Minimum co-financing of 50 percent for persons whose income exceeds 310 UTM.

**Medium-scale landowner (legal person):** This corresponds to any legal entity that has title to one or more rural properties and whose annual income from sales, services or others, in the totality of its operations, does not exceed 100 000 UF in the last calendar year, as established by the Internal Revenue Service (SII). The provision of benefits to these legal entities is conditional on a minimum co-financing,<sup>13</sup> as established in the following ranges:

- Microenterprises (0 to 2 400 UF): 20 percent co-financing
- Small enterprises (2 400.01 - 25 000 UF): 40 percent co-financing
- Medium-sized enterprises - tranche 1 (25 000.01 - 50 000 UF): 60 percent co-financing.
- Medium-sized enterprises - tranche 2 (50 000.01 - 100 000 UF): 80 percent co-financing.

**Fiscal properties:** As defined in the Civil Code, National Assets are those that belong to the entire nation and are classified as assets for public use and fiscal or State assets, as defined in Law No. 1,939 of 1977.

**Municipalities:** These are autonomous corporations under public law, with legal personality and their own assets, which are responsible for the administration of a municipality with the purpose of satisfying the needs of the local community and ensuring its participation in its economic, social and cultural progress.

**Universities of the Council of Rectors of Chilean Universities (CRUCH):** These are the so-called "traditional universities", including public and private universities created or recognized prior to 1981 (or affiliated institutions), together with those created by law. Only member universities of the CRUCH are entitled to direct fiscal contributions.



<sup>13</sup> The nature and operationalization of the co-financing associated with medium-sized landowners (natural and legal persons) is established in the Administrative Bases of the Public Tender and in the Regulations for the Direct Allocation of Territorial and Enabling Projects. Given that the magnitude of the financing will determine the operational capacity of the territorial teams to follow up on co-financing of a pecuniary or non-livestock nature, as defined.

<sup>14</sup> A unit defined in Chile that corresponds to an amount of money expressed in pesos and determined by law, which is permanently updated by the Consumer Price Index (CPI) and is used as a tax measure.

**Organizations:** Defined as any type of organization with legal personality that does not contravene national laws. These must be non-profit entities, as accredited by the respective certificate issued by the Civil Registry and Identification Service, SII or similar, which have title to one or more rural properties or, failing that, some type of land tenure that ensures the maintenance of implemented activities.<sup>15</sup>

### 3.4.2 Excluded persons

**Large companies:** Any legal entity whose annual income from sales, services or others, in which the total of its turnover exceeds 100 000 UF in the last calendar year, as established by the SII.

**Large-scale landowner (natural person):** Corresponds to a natural person and/or community that holds title to one or more rural properties and that does not meet the requirements established in the definition of smallholder, whether individual, collective or according to special rules, or in the definition of medium-scale landowner.

In turn, all persons not included in the beneficiary population and those who seek to use the BSP to finance activities that are their legal responsibility are excluded.

## 3.5 Governance

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Governance for BSP implementation is based on two components: institutional arrangements, understood as the operational structure involving the various public services that are part of the participatory processes for decision-making in coordination with civil society; and management instruments, which provide guidelines for each stage of the Plan's operation.

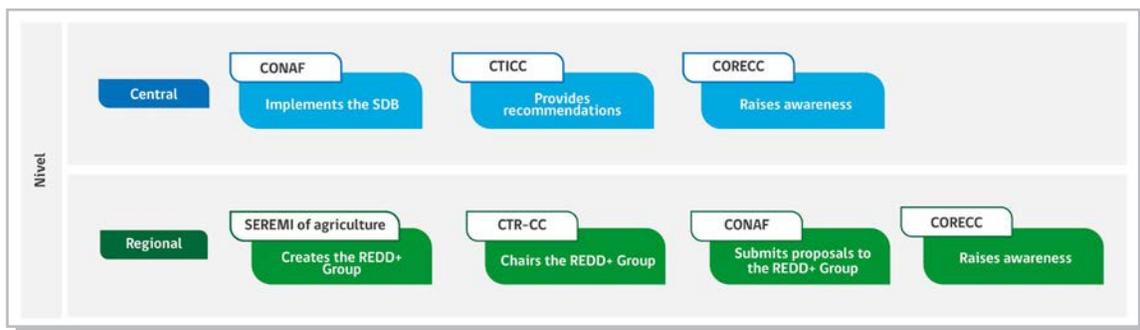
### 3.5.1 Institutional arrangements

The implementation of the BSP requires an operational structure that fosters the collaboration and coordination between various public services, mainly the intra-ministerial services of MINAGRI, together with local agencies and representatives of civil society. The objective is to promote decision-making from a perspective of sectoral, territorial, intercultural and gender representativeness, incorporating the perspectives of different local actors. The roles and responsibilities of the institutions involved in implementing the BSP are described as follows.

The institutional arrangements of the central and regional offices, as mentioned above, are detailed in Figure 4.



<sup>15</sup> The analysis of the type of alternative land tenure should be carried out by CONAF's legal team, ensuring that the social and environmental safeguards of the ENCCRV are safeguarded.



**Figure 4.** Institutional arrangements for implementing the BSP

**Source:** Own elaboration

### National Forestry Corporation (CONAF)

This institution reports to the Ministry of Agriculture and, as the REDD+ focal point in Chile, it is responsible for implementing the Strategy. Its mission is: *"to guarantee the conservation, restoration and sustainable management of the country's forest and xerophytic ecosystems, through actions aimed at conservation, ecosystem management, monitoring and tree planting, to meet the current and future demand for ecosystem goods and services in a scenario of climate crisis, contributing to the territorial development of Indigenous Peoples and vulnerable communities, while valuing biodiversity and the gender perspective."*<sup>16</sup>

CONAF is responsible for coordinating the implementation of the BSP through its organizational structure, which includes both its head office (at the national level) and its respective regional offices.

At the head office level, this includes:

- Ensuring compliance with the objectives and guidelines of the BSP.
- Implementing the BSP in compliance with the guidelines of the ENCCRV.
- Monitoring the administrative and financial aspects of financing agreements reached through the BSP, as established in the Corporation's administrative and financial procedures.
- Managing the approach and compliance with safeguards through the instruments established in the framework of the ENCCRV.
- Managing the operation of BSP governance, including the development of general operating guidelines for regional REDD+ Groups.



<sup>16</sup> Plataforma de Información de la ENCCRV. Disponible en: <https://plataforma.enccrv.cl/>

- Managing all systems and subsystems of the ENCCRV Information Management Platform.
- Preparing and disseminating the different management tools of the BSP, including the Operating Manual, the Annual Implementation Report (RAI), the Administrative and Technical Bases of the Public Tender, the Regulations for the Direct Allocation of Territorial Projects and the Regulations for the Direct Allocation of Enabling Projects.
- Establishing guidelines for the procurement process and/or purchase of goods and services.
- Training the professionals of the technical teams in the regional offices that will be in charge of the implementation of the BSP.
- Developing and executing the communications plan defined in the Operating Manual of each financing agreement, which contributes to the implementation of the ENCCRV's Action Measures, taking into account the guidelines of the Plan's Communications Strategy.

For their part, the responsibilities of the regional offices include:

- Complying with the distribution of the resources defined in this document, through the activities awarded by the Distribution Mechanisms and ensuring compliance with safeguards, as specified in the Environmental and Social Management Framework (ESMF), together with monitoring and other instruments designed for the planning, execution, monitoring, evaluation, and technical and administrative closure of the projects.
- Monitoring and evaluating the activities implemented in the territory, within the framework of the process of monitoring, reporting and verification required by the REDD+ approach and the various financing agreements.
- Presenting and seeking agreements on the mechanism for the regional evaluation of the Operating Manual in accordance with the national situation and the regional reality.
- Providing technical and administrative support to the regional REDD+ Group in its role as secretariat. It should also present the evaluation mechanism and incorporate its findings.
- Entering the relevant data into the different systems of the ENCCRV's Information Management Platform in a reliable and timely manner, including the means of verification when applicable, and reporting on the implementation of the BSP.
- Managing the planning, implementation and monitoring of projects through the ENCCRV's Information Management Platform.
- Supporting the implementation of communications plans in line with the BSP's Communications Strategy.

### Regional REDD+ Group

It is the responsibility of the group composed of regional, intra- and inter-ministerial representatives of the Ministry of Agriculture and civil society to strengthen decision-making regarding the implementation of the BSP and to promote decentralization. The aim is to incorporate elements and criteria that take into account the territorial reality of each region. This governance element emerged as a result of the BSP's participatory process, which identified the need for regional technical committees with the capacity to analyse and make decisions relevant to local circumstances, incorporating elements and criteria specific to these scales.

Therefore, it is the responsibility of the regional REDD+ Group to:

- Approve and/or modify the evaluation mechanism criteria and their weighting, as presented in the Operating Manual, which are applicable to each financing agreement, in order to adapt the objectives and processes to the local reality based on the input of its members. For justifiable reasons, modifications to this mechanism may be requested during the implementation cycle of the financing agreement, based on the technical information provided by CONAF.
- Validate the BSP Annual Implementation Report at the regional level, corresponding to the background information provided by the technical teams of the regional offices, to ensure that the financing decision includes the analysis of effectiveness, equity, justice and transparency, which are all key pillars of the BSP. Such recommendations should be in line with the provisions of the management instruments.
- Channel requests for information, complaints, and suggestions from local communities, indigenous and tribal peoples, and potential beneficiaries in general regarding the functioning and implementation of the BSP.

- Disseminate information on benefit sharing, how to apply, available amounts, and project eligibility for distribution mechanisms to local communities and potential beneficiaries.
- Propose initiatives for the distribution mechanism of Public Tenders in response to the needs of local communities, indigenous and tribal peoples, and potential beneficiaries in order to strengthen the project portfolio.
- Strengthen the initiatives proposed by CONAF for the distribution mechanism of Direct Allocation for territorial and enabling projects, and thus ensure that they incorporate the approach of sectoral, territorial, intercultural and gender representativeness.
- Ensure the participation of the most vulnerable beneficiaries, with emphasis on women and indigenous and tribal peoples, according to the guidelines of each financing agreement.

### **Regional Ministerial Secretariat of Agriculture (SEREMI)**

Within this structure, the SEREMIs are the decentralized representatives of the Ministry of Agriculture in each of the regions. These entities are charged with executing and implementing the necessary measures to promote the development and well-being of forestry/agricultural activity. This portfolio is the responsibility of the Regional Ministerial Secretary (SEREMI) who collaborates directly with the Regional Presidential Delegation<sup>17</sup> in each of the country's regions. In this regard, the SEREMI of Agriculture is responsible for creating the regional REDD+ Group by means of a resolution and chairing it.

### **Regional Technical Committee on Climate Change (CTR-CC)**

Made up of the regional focal points of the MINAGRI institutions, this committee is a space coordinated by the Office of Agrarian Studies and Policies of the Ministry of Agriculture (ODEPA). Its objective is to generate the necessary information for the design of adaptation and mitigation measures in the sectoral context. Its duties include participating in climate change capacity-building and/or strengthening activities. Therefore, its members form part of the regional REDD+ Group for each region.

### **Regional Committee on Climate Change (CORECC)**

This committee is the regional body responsible for identifying and implementing climate change adaptation and mitigation actions in the territories and for facilitating the implementation of national policies in this area. It also brings together government institutions, civil society organizations, and representative entities on climate change at the regional and local levels. Therefore, it is the responsibility of the CORECC in each region to disseminate the RAI through its various participation initiatives.

### **Intra-Ministerial Technical Committee on Climate Change (CTICC)**

This committee is made up of the national focal points of the MINAGRI institutions and is coordinated by ODEPA. One of its functions is to promote medium- and long-term instruments aimed at generating structural and organizational improvements in the forestry/agriculture sector in terms of climate change. In short, it is the responsibility of the CTICC to provide recommendations on the ENCCRV's Action Measures included in the RAI.

### **Civil Society Council (COSOC)**

Finally, this council is a forum that protects and recognizes the right of people to participate in the management, policies, programmes and plans of the State. It is the responsibility of COSOC, as part of CONAF, to disseminate the RAI through its various participation initiatives.



<sup>17</sup> The Regional Presidential Delegate in each of the country's regions represents the President of the Republic in the territory under their jurisdiction. Their responsibilities can be classified into different areas: public order and security; coordination and supervision, among others. <https://www.subdere.gov.cl/sites/default/files/noticias/archivos/Rol-Gobernadores-Regionales-y-Delegados-Presidenciales.pdf>



### 3.5.2 Management tools

The management instruments establish the guidelines that ensure fair, equitable, and transparent distribution of the resources received by the BSP to the beneficiaries. The following is a description of the BSP's underlying management instruments and guidelines.

#### Operating Manual (MOp)

*A management tool that describes the technical, administrative, and financial procedures to implement the BSP as established in each financing agreement under the ENCCRV framework, serving as a guide for users. These procedures must be aligned with the Plan, national regulations, financing schemes, collaboration agreements, and any other legal agreement associated with the sources of financing.*

The guidelines defined in this document correspond to:

- **Institutional arrangements**  
It defines the administrative, financial, and/or technical responsibilities of each participating institution for receiving and distributing payments, together with the associated governance entities.
- **Operational cycle**  
Describes the technical procedures for the implementation of the BSP in accordance with the ENCCRV's territorial, enabling, and cross-cutting projects.
- **Administrative, financial, and procurement process**  
It describes the administrative, financial and procurement procedures for the proper management of resources.
- **Communications plan**  
Describes the actions for the dissemination of the activities related to the BSP. It promotes the implementation of activities of the ENCCRV's territorial, enabling, and cross-cutting projects, especially those related to the Public Tender Process, such as the dissemination of eligible activities and the awarding of projects.

#### Annual Implementation Report (RAI)

*A public management instrument that reports on the implementation progress of the annual cycle of activities for which a budget has been allocated in accordance with the provisions of the MOp. This document details the executed, planned and projected budgets available for each region.*

The content of this document is as follows:

- **Progress from previous annual cycle**  
It details implementation progress at the end of the annual cycle, reporting on implementation progress of territorial, enabling and cross-cutting projects, while specifying the structural, redistributive, and residual budget.
- **Projection of subsequent annual cycle**  
It details the planning for the implementation of the next annual cycle related to the execution of territorial, enabling and cross-cutting projects by specifying the structural, redistribution, and residual budget.

### Administrative and technical bases of the Public Tender Process

*A management instrument that establishes the guidelines for the public tender process to guarantee transparency and impartiality in the delivery of benefits. At the same time, it defines the structure and objectives of the process, the terms of participation, the legal framework, the deadlines, and the mechanism for evaluating and selecting initiatives, as well as the channels for consultation and complaints.*

The contents of this document correspond to:

- **Administrative bases**  
These establish the administrative guidelines for the implementation of initiatives, which specify the territorial scope and the benefits delivered, as well as the bidding rules, requirements, documentation and maximum budgets to be financed, together with the stages of the competitive system and its respective calendar.
- **Technical bases**  
These establish the technical guidelines for the implementation of initiatives. Specifically, it corresponds to the activities to be financed for each Action Measure and the associated costs, and also establishes the mechanism for evaluating the initiatives according to the implementation modality.

### Regulations for the direct allocation of Territorial Projects

*A management instrument that establishes the guidelines for the direct allocation distribution mechanism for the implementation of Territorial Projects.*

This document includes the territorial scope of the project, the benefits provided, the guidelines for the selection of initiatives, and the residual amount available.

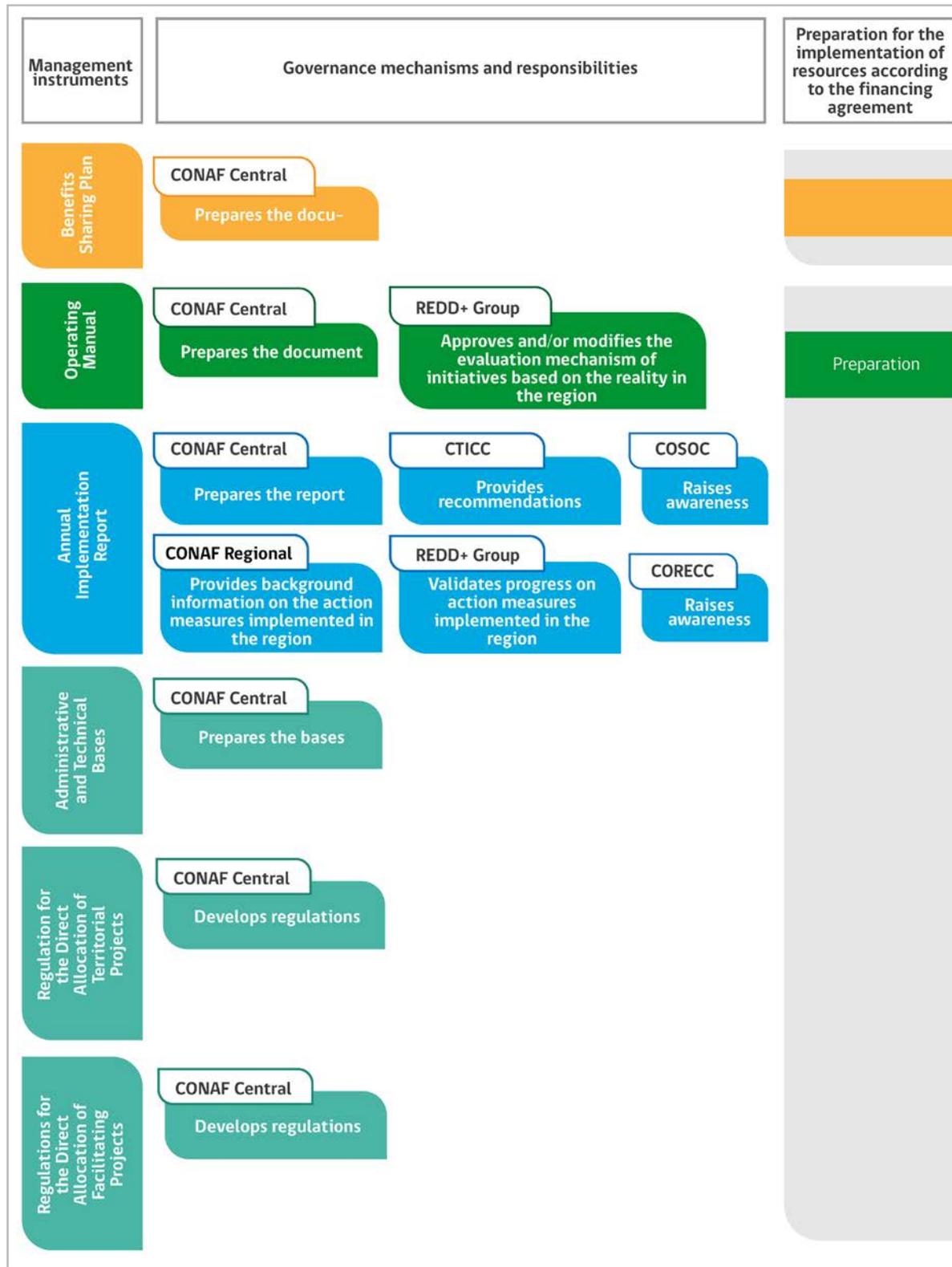
### Regulations for the direct allocation of Enabling Projects

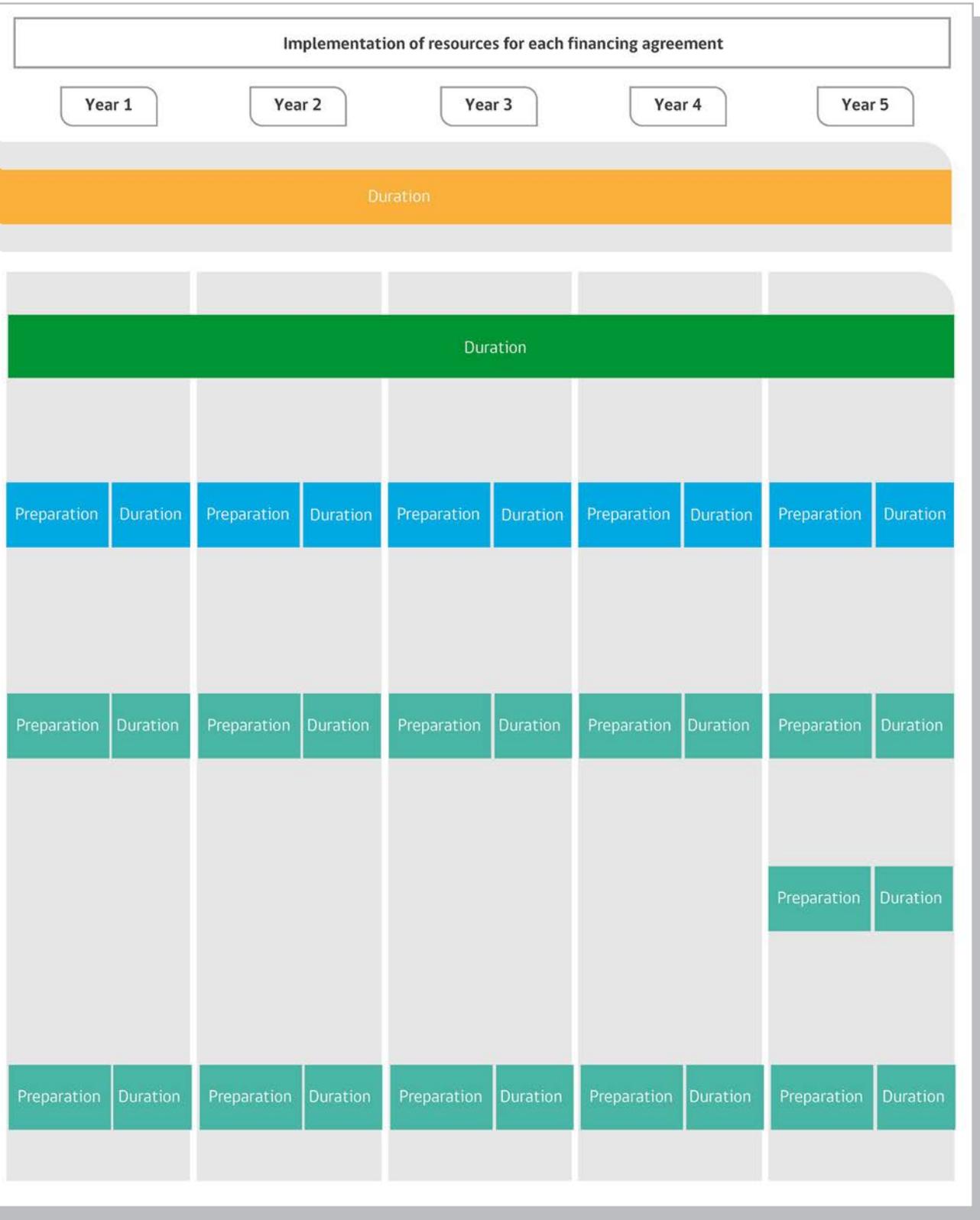
*A management instrument that establishes the guidelines for the direct allocation distribution mechanism for the implementation of enabling projects.*

This document includes the territorial scope of the project, the benefits provided, the guidelines for the selection of initiatives, and the amount available.

### 3.5.3 Governance implementation

The decisions taken by the governance bodies through institutional arrangements at the central and regional levels are set out in the management instruments described in detail in Figure 5.





**Figure 5.** Example of a workflow for governance implementation of a 5-year funding agreement  
**Source:** Own elaboration

### 3.6 Distribution of resources

The implementation of the BSP seeks to fulfil its objective and follow the guidelines established in the third chapter of this document, which details the mechanism for the distribution of the resources obtained by the country from the various financing schemes. The delivery of benefits to the beneficiary population is achieved through the implementation of territorial, enabling, and cross-cutting projects, as described in Table 1.

**Table 1.** Typology of projects established for the BSP

| Project       |  |
|---------------|--|
| Territorial   | Those projects that contribute to the ENCCRV's Direct Action Measures and that directly generate environmental, social and economic benefits in the territories. These projects are characterized by an operational approach, seeking to integrate and strengthen local capacities, promote community participation, and ensure the sustainability of natural resources. Based on a comprehensive approach, they should aspire to improve the quality of life of communities and foster inclusive and climate-resilient territorial development.         |
| Enabling      | Those projects designed to support and enhance the Enabling Action Measures established in the ENCCRV with the ultimate goal of not only facilitating the implementation of direct actions, but also promoting inter-institutional collaboration, the training of local actors and the active participation of affected communities, among others. These projects also seek to generate synergies among the positive social, environmental and economic impacts of territorial projects, making them sustainable, adaptable and relevant to local needs. |
| Cross-cutting | Those projects that address elements associated with studies, research or developments that, although not linked to the Direct or Enabling Action Measures that contribute to the reduction/capture of emissions, do contribute to the work and implementation of the ENCCRV and to compliance with the Warsaw Framework.  |

Source: Own elaboration

In Chile, public and private efforts have, for decades, been concentrated on the development of large cities, while neglecting rural areas (83 percent of the national territory), the rural population (25 percent of the national population) and the opportunities in these areas (COMICIVYT, 2020). The Casen survey (2020) found that poverty is still higher in rural areas (13.82 percent) than in urban areas (10.42 percent). In addition, the rural territory is closely linked to vegetation resources and, therefore, to forestry, agricultural and livestock activity. In this regard, the BSP seeks to define an equitable budget that, in turn, contributes to tackling the social gaps that exist in the country by allocating more resources to those regions with a larger percentage of rural areas and rural populations and higher multidimensional poverty rates.

Consequently, the BSP has been designed with the participation of key actors linked to vegetation resources (Annex 1). These processes strongly highlighted the need for the highest percentage of resources to be effectively transferred to the territories through a transparent mechanism that addresses social and territorial gaps in the country. As mentioned previously, the distribution of resources has four pillars, namely: effectiveness, equity, justice and transparency. In order to satisfy territorial needs and comply with these pillars, allocation criteria and percentages were defined at three levels: national, regional and operational.

### 3.6.1 National level (effectiveness pillar)

The implementation of the BSP entails a number of associated management, administration and support costs, as well as the cost of implementing the different types of projects. For this reason, it is important to define a distribution system that guarantees that the resources received under the financing agreements are used to fund the work of the Strategy, where the greatest proportion is effectively distributed to the beneficiary population. The allocation of funds was established in the following manner: administrative management and support, which received 20 percent of the total resources, and territorial implementation, with an allocation of 80 percent of the total resources.

Thus, CONAF is responsible for monitoring the process of national resource allocation, with technical, administrative, and budgetary oversight of project implementation to ensure compliance with the percentage allocations.

#### **Administrative management and support – 20 percent of total resources**

*This considers the administrative and support expenses of the BSP, including professionals for the implementation of the Strategy at the head office level. This amount finances the implementation of cross-cutting and enabling projects, the latter of which can be implemented at the national level through the Direct Allocation mechanism.*

#### **Territorial implementation – 80 percent of total resources**

*This considers the implementation of Territorial Projects, i.e. those projects that comply with Direct Action Measures. This amount finances the expenses associated with the formulation, implementation, and monitoring processes of initiatives and projects, together with the hiring of professionals from the technical teams of the regional offices. In the case of results-based payment schemes, these projects can only be implemented in those regions that are subject to the process of monitoring, reporting, and verifying emissions reductions. In the case of other ENCCRV financing schemes, these resources can be executed on a national scale without having to go through the process of monitoring, reporting and verification. In addition, these projects are awarded through the Public Tender mechanism in the case of the structural budget and through the Direct Allocation mechanism in the case of the residual budget.*

Therefore, the distribution of the resources received under each financing agreement contributes to the fulfilment of the goals of the ENCCRV through the development of territorial, enabling, and cross-cutting projects, which follow the guidelines indicated in Table 2.

**Table 2.** Distribution of the financing scheme by type of project

| Type of Project | Funding allocation amount             | Distribution of funds in the regions  | Mode of resource allocation   |
|-----------------|---------------------------------------|---|---|
| Territorial     | Territorial implementation            | Under the results-based payment scheme, funds are distributed in those regions subject to the emissions monitoring, reporting and verification process. For other financing agreements not involving the results-based payment scheme, distribution is made at the national level or as determined in each financing agreement. | Funds are distributed among the regions according to regional allocation criteria (chapter 4.6.2) and the number of years of the financing agreement.                             |
| Enabling        | Administrative management and support | All regions, with a focus on those that have received the fewest resources.   | For each funding agreement, an amount is defined to be allocated to the regions that can submit their own initiatives, as appropriate. This budget is managed by the head office. |
| Cross-cutting   | Administrative management and support | All regions   | This budget is managed by the head office to ensure compliance with the work and implementation methodology of the ENCCRV and with the Warsaw Framework.                          |

Fuente: Elaboración propia.

The Operating Manual is the management tool that establishes the administrative and financial procedures for the use of resources, including the hiring of personnel and the procurement of goods and services for project implementation. Specifically, its implementation plan defines the distribution of resources for each funding agreement according to its respective duration. In this document, the Action Measures to be financed through territorial, enabling and cross-cutting projects are detailed, along with their associated budgets.

It is important to note that each year the list of activities that can be financed through the BSP is updated, as a preliminary reference, and the list of activities can be consulted in the operational guidelines of the ENCCRV.<sup>18</sup> In summary, the delivery of benefits follows the exclusion list established in the Environmental and Social Management Framework (ESMF) in effect for the financing period. This ensures that the projects that receive funding meet the necessary environmental and social standards, thereby promoting sustainable development.

### 3.6.2 Regional level (equity and justice pillars)

This amount corresponds to resources for the implementation of Territorial Projects (80 percent of total national financing) and must be distributed through the results-based payment scheme in those regions subject to the process of monitoring, reporting and verification of emission reductions or through other financing schemes of the ENCCRV, which can be distributed at the national level. In the regional category, four types of allocation are considered with the objective of guaranteeing equity and justice in regional distribution: basal allocation, by rural area, by rural population, and by multidimensional poverty level (Table 3).

<sup>18</sup> ENCCRV Operational Guides. <https://www.enccrv.cl/medidas-de-accion-de-la-enccrv>

**Tabla 3.** Distribución de recursos a nivel regional.

| Type of allocation       | Description   | Percentage of distribution |
|--------------------------|---|----------------------------|
| Basal                    | Resources are split equally among regions eligible to receive funding.  | 40                         |
| Rural area               | <p>This allocation provides a regional amount based on the rural area of each region, given that the vegetation ecosystems are mainly located in rural territory. It is calculated on the basis of the information provided by the PNDR, in accordance with the following formula:</p> $\text{Regional amount} = x \frac{SRR}{SRT} MSR$ <p>Where:</p> <p>SRR = Regional rural area<br/> SRT = Total rural area linked to receiving financing<br/> MSR = Total regional amount of rural area allocation</p>  | 20                         |
| Rural population         | <p>This allocation provides a regional amount based on the rural population of each region, given that vegetation ecosystems are closely linked to the rural population. It is calculated on the basis of the information provided by the PNDR, in accordance with the following formula:</p> $\text{Regional amount} = x \frac{PRR}{PRT} MPR$ <p>Where:</p> <p>RRP = Regional rural population<br/> PRT = Total rural area linked to receiving financing<br/> RPF = Total regional allocation amount by rural population</p>   | 20                         |
| Multidimensional poverty | <p>This allocation provides a regional amount based on the multidimensional poverty level of each region, which seeks to address social gaps and focus resources on the territories with the highest indices of vulnerability. It is calculated on the basis of the information provided by the PNDR, in accordance with the following formula:</p> $\text{Regional amount} = x \frac{PMR}{PMT} MPM$ <p>Where:</p> <p>PMR = Regional multidimensional poverty level<br/> PMT = Total multidimensional poverty linked to receiving financing<br/> MPM = Total regional amount of multidimensional poverty allocation</p> | 20                         |

Source: Own elaboration

### Redistribution budget

*Corresponds to resources linked to Territorial Projects that are not requested from the annual regional budget. The resources that can be redistributed are those that come from the allocations corresponding to "rural area", "rural population" and "multidimensional poverty index". These budget reallocations can only be made between regions and based on the criteria defined in the participatory process carried out in 2024.*

The allocations corresponding to rural area, rural population, and multidimensional poverty can be redistributed based on the following criteria established during the 2024 participatory process:

- "Demand for territorial participation, historical equity, and governance"
- "Frequency of natural disasters and/or environmental emergencies"

First, the transfer of resources is defined by the criterion: "Demand for territorial participation, historical equity and governance", leaving the redistribution budget available to cover the demand for execution in those territories that need the most support.

Second, the transfer of resources is defined by the criterion: "Frequency of natural disasters and/or environmental emergencies", so that, after the occurrence of a disaster declared by a "State of Constitutional Exception of Catastrophe",<sup>19</sup> redistribution resources will be available in the following bidding cycle on a priority basis, according to the demand declared by the territories.

### 3.6.3 Operational level (transparency, fairness and efficiency pillars)

At the operational level, each region has a budget derived from the previously calculated allocation, called the "structural budget", which is distributed on an annual basis across the implementation period for each financing agreement. After the end of the implementation period of each financing agreement, there may be a residual budget.

### Structural budget

*Corresponds to the total regional amount granted for the execution of Territorial Projects during the implementation period of each financing agreement, according to base allocation, rural area, rural population and multidimensional poverty level.*

### Residual budget

*This corresponds to the unused amount of the total programme budget and is executed at the end of the implementation period of each financing agreement. It is conditional on the amount being less than USD 200000, since it is understood that this amount does not justify the effort of launching a public tender.*



<sup>19</sup> The Constitutional Exceptional State of Catastrophe is regulated in the Political Constitution and Constitutional Organic Law No. 18,415 on States of Constitutional Exception. It is declared by the President of the Republic by means of a supreme decree signed by the Ministers of the Interior and Defence, in the event of a public calamity within a given geographical area; by public calamity of human or natural causes, of such magnitude as to generate serious damage to the normal development of social life and the economy, significantly affecting persons or property within the territory of the Republic.



The implementation of the projects of the Strategy is carried out through two distribution mechanisms: Public Tender or Direct Allocation. Both forms of distribution contain an evaluation mechanism that prioritizes projects with the largest environmental impact, as well as those with a greater social impact addressing gender and intercultural gaps, with a focus on the population facing the most significant socioeconomic problems. At this level, it is established that at least 50 percent of the resources must be distributed among the most vulnerable beneficiary population.

To this end, it is established that Territorial Projects may be executed through both distribution mechanisms, while enabling projects may be executed exclusively through the Direct Allocation mechanism.

#### ■ Public tender

Public tender is the main distribution mechanism, financed by the implementation amount (80 percent of the total financing) allocated to each region, also known as the “structural budget”. Its implementation process is described in the chapter “Operability of the Public Tender”.

*This is a distribution mechanism of the BSP, open to the public, which allows the population to access non-monetary benefits of the ENCCRV, through bidding, evaluation, and selection of initiatives.*

#### ■ Direct allocation

Direct allocation is the second distribution mechanism, whereby Territorial Projects are financed by the residual budget of the implementation amount (80 percent of total financing), with the implementation process described in Chapter 4.7.2 Operation of the Direct Allocation for Territorial Projects. While the enabling projects are financed by the amount allocated for administrative management and support (20 percent of total resources). Its implementation is described in Chapter 4.7.3 Operation of the Direct Allocation for Enabling Projects.

*A distribution mechanism for the BSP that allows the population to access non-monetary benefits of the ENCCRV, through the identification or internal dissemination, submission, design, evaluation, and selection of initiatives by CONAF.*

Figure 6 shows the implementation of the resources for each financing scheme at each level.

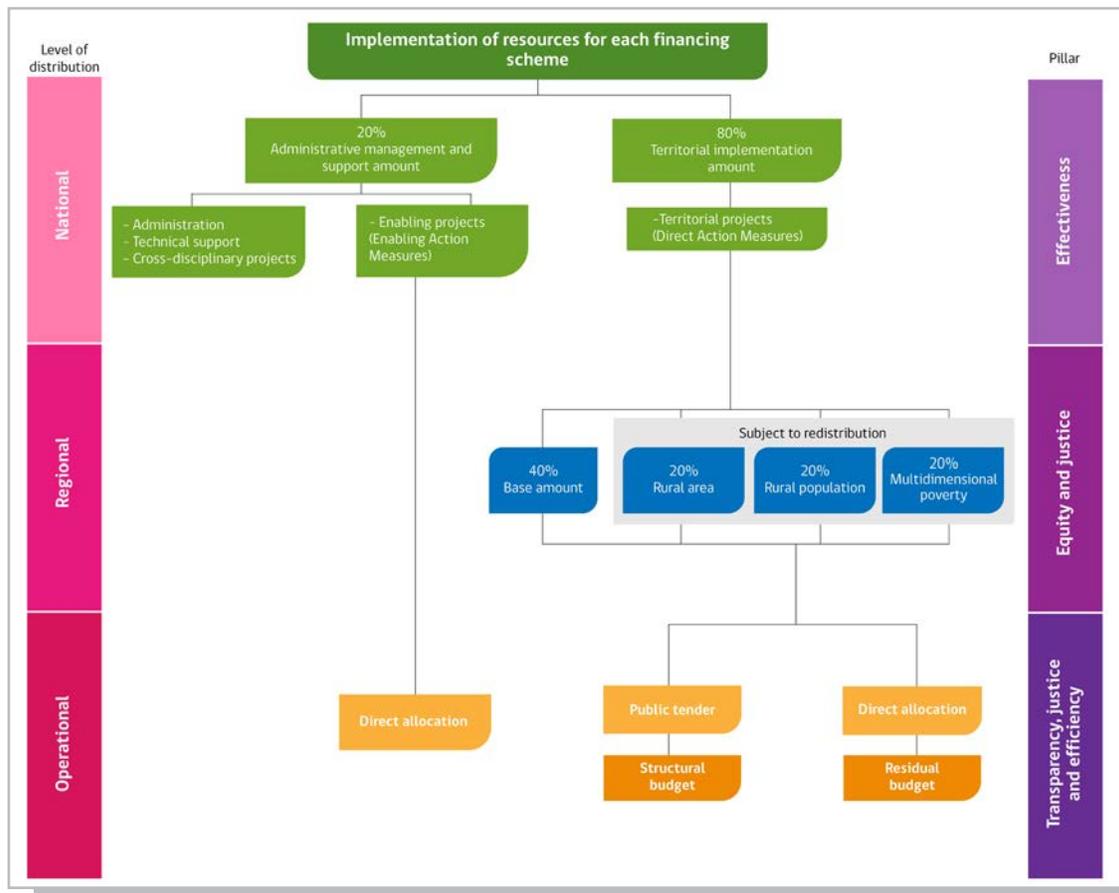


Figure 6. Distribution of resources

Source: Own elaboration

### 3.7 Operability of distribution mechanisms

The BSP has three distribution mechanisms, each financed by different budgets, as described in Chapter 4.6 Distribution of resources. These mechanisms finance enabling and Territorial Projects through the submission of initiatives whose selection process is described in detail in this chapter. These mechanisms are:

- Public tender process
- Direct allocation for Territorial Projects
- Direct allocation for Enabling Projects

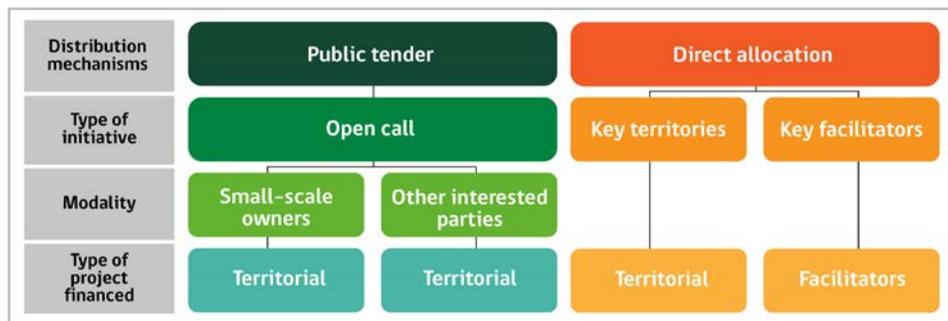


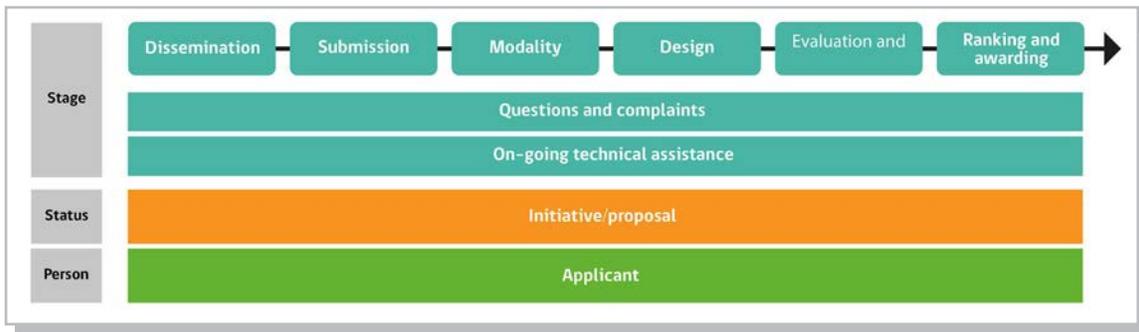
Figure 7. Resource-sharing arrangements

Source: Own elaboration

### 3.7.1 Operation of the Public Tender

The Public Tender is a distribution mechanism of the BSP, the main feature of which is that it is open to the public, which consists of a series of stages for the submission, design, evaluation and selection of the initiatives, so that, after the awarding process, the projects can be implemented in the territory. These stages are detailed in this chapter and are also shown in Figure 8.

The management instrument associated with this mechanism corresponds to the Administrative and Technical Bases that are published annually with the adjustments in budgets and activities available by region, as specified in Chapter 4.5.2 Management Instruments. The Public Tender Platform is the IT tool that supports the various technical, social, financial and administrative aspects of the initiatives, allowing joint work between the Strategy teams and citizens, while ensuring the objectivity and transparency of the competition process. More details about this platform can be found in Chapter 4.1 Public Tender Platform.



**Figure 8.** Process flow in the selection of proposals for the Public Tender distribution mechanism

Source: Own elaboration

#### ■ Dissemination of the Public Tender

This corresponds to the process by which the public tender process, and its requirements, are made known to the beneficiary population and the general public, under the guidelines established in Chapter 6. Communications Strategy. It is carried out annually, through a dissemination campaign including various actions with the main objective of disseminating the call for bids. These actions are coordinated through a specific communications plan, which in turn incorporates the specific characteristics of each financing agreement. These communications plans are established through the Operating Manual, depending on the financing available.

#### ■ Submission process

The general public interested in the implementation of any of the activities must enter their initiative on the Public Tender Platform, along with a series of data and basic documents with information about the applicant and the property. If there is any type of digital access gap or other obstacle to enter the application or obtain the required documentation, the applicant can request the assistance of a professional from the technical team of the regional office to receive guidance and support in the process.

#### Open call initiative

Proposals for the implementation of activities of the ENCCRV's Direct Action Measures are submitted voluntarily for evaluation during the Public Tender by the beneficiaries defined in this document.



#### ■ Application method

In order to ensure an objective and fair distribution of the funds received among the beneficiary population, the beneficiaries are grouped according to differentiated application modalities with requirements and evaluation mechanisms adapted to their specific situation. These application forms are for smallholders and other interested landowners.

##### Smallholder modality

*With a view to reducing the social, environmental, and economic vulnerability generated by the effects of climate change, desertification, land degradation, and drought on vegetation resources and the human communities that depend on them, smallholders will be grouped together, and they may be presented individually or collectively as indigenous or tribal peoples, whose properties are contiguous and/or grouped according to landscape scale criteria.*

##### Modality of other interested parties

*With the aim of restoring ecological functionality that promotes the process of rehabilitation of eroded soils; the rehabilitation of hydrological cycles; the recovery of landscapes and ecosystems affected by forest fires, disasters or other degradation factors; the conservation and protection of natural areas or areas of ecological value, and ecological restoration, this modality includes interested parties who, individually or in groups, can generate medium and large-scale impacts, thereby improving the quality of life and well-being of the local communities. These groups may include medium-sized landowners under their natural or juridical legal status, public lands, universities recognized by the CRUCH and other organizations.*

- **Design**

The proposals are designed in common agreement between the beneficiary(ies) and the Technical Assistance Professional. They are responsible for preparing the project guidelines to guarantee the technical, economic, social and environmental feasibility of the implementation of the activities through a field visit. The above is planned within the framework of the activities established in the Technical Bases corresponding to the financing agreement, which are updated annually.

- **Assessment and eligibility**

This stage involves the processing and analysis of the information associated with the evaluation variables defined after the participatory processes of 2020, which are detailed in Annex 3 and in the Technical Bases for implementing the evaluation mechanism, together with the environmental and social feasibility of the initiatives. Each region then creates an Evaluation Committee that verifies the quality and veracity of the information, along with the documentation, to determine the admissibility and technical, economic, social and environmental feasibility of the initiatives.

- **Ranking and award process**

For each proposal deemed admissible by the Evaluation Committee, the Public Tender Platform calculates the score of the initiative and establishes a selection order determined by an evaluation mechanism defined in the Technical Bases. Considering this list, the ranking of proposals is prepared, with a cut-off line established according to the budget availability of each modality and region, thus defining the list of pre-awarded initiatives. The owners of the initiatives presented are notified about the status of their proposal and, at this time, they can also submit queries and complaints regarding the evaluation process. After reviewing these queries and complaints, a new ranking is generated that defines the list of initiatives that have been awarded financing.

Those awarded initiatives that receive financing for their execution become projects, which are managed and monitored by the other systems of the ENCCRV's Information Management Platform during their lifecycle.

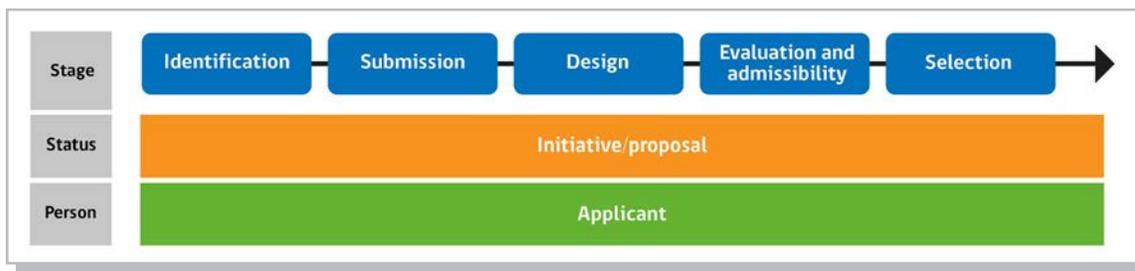
- **Questions and complaints**

Applicants may make enquiries about the tender process or request support to resolve IT issues through the help desk, which can be contacted online or by telephone. In addition, during the pre-award period of the Public Tender, the holders of the initiatives may request an appeal and/or reconsideration by sending an email to the help desk.

### **3.7.2 Operation of the Direct Allocation for Territorial Projects**

The Direct Allocation for Territorial Projects is a distribution mechanism of the BSP, whereby CONAF proposes the type of project to be considered. As in the Public Tender modality, the initiatives submitted must go through a series of stages, which consist of the identification, submission, design, evaluation, and selection of initiatives, which are detailed in this chapter and are also shown in Figure 9.

The management instrument associated with this mechanism corresponds to the regulations for the Direct Allocation of Territorial Projects, which are published with the adjustments of budgets and activities available by region, as specified in Chapter 4.5.2 Management Instruments. The Project Management System (SGP) is the tool that supports the various technical, social, financial, and administrative aspects of the projects. More information on this can be found in Chapter 5.2 Project Management System.



**Figure 9.** Flow of processes in the selection of proposals for the Direct Allocation distribution mechanism corresponding to Territorial Projects | **Source:** Own elaboration

■ **Identification**

Following the completion of the implementation period and the definition of its residual budget, the regional level office is responsible for identifying and channelling initiatives that could be subject to selection.

■ **Submission process**

The initiatives identified within the framework of the Regulations for the Direct Allocation of Territorial Projects must be subject to a review of the evaluation mechanism available in the Project Management System (SGP), which are submitted as “Territorial Flagship Initiatives”.

*Territorial flagship initiatives*

.....

*These relate to initiatives proposed by CONAF and the regional REDD+ Group for the implementation of activities related to Direct Action Measures targeting the beneficiary population, which are characterized by their high ecosystemic and/or socio-cultural value. These projects must make a significant contribution at the territorial level in terms of climate change mitigation and adaptation; generation of environmental services; combating desertification, land degradation and drought; the protection of biodiversity and ecosystems of high ecological value; support for local economies by promoting sustainable development; restoration on a landscape scale and/or links with public lands and official environmental protection initiatives. Meanwhile, at the social level, initiatives will be sought that enhance ecosystems and/or sites of cultural or religious significance, that contribute to the strengthening of the worldview of indigenous and tribal peoples and support the restoration of the historical or cultural landscape, as well as proposals that encourage the participation of women and other vulnerable groups, which can be submitted through the Direct Allocation distribution mechanism. Following the allocation process, initiatives submitted under this category are called “Territorial Flagship Projects”.*

■ **Design of proposals**

The design of the proposals is prepared in mutual agreement between the beneficiary(ies) and the Technical Assistance Professional through a field visit, considering the framework of the activities established in the Regulations for the Direct Allocation of Territorial Projects that are within the residual budget.

■ **Assessment and eligibility**

In this stage, the information associated with the variables that make up the evaluation mechanism defined after the participatory processes of 2020 is processed and analysed, which are detailed in “Annex 3” and in the “Regulations for the Direct Allocation of Territorial Projects”, together with the environmental and social feasibility of the initiatives. The head office then verifies the quality and veracity of the information and documentation to determine the technical, economic, social, and environmental eligibility and feasibility of initiatives.

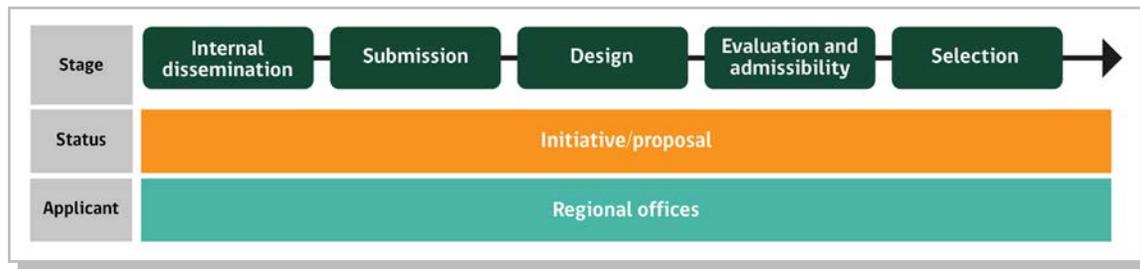
■ **Project selection**

Finally, the head office selects the proposals with the highest ratings and/or that comply with the approach of the Territorial Flagship Initiatives, considering technical aspects such as accessibility and ecological times, among others, which are defined in the Regulations for the Direct Allocation of Territorial Projects.

### 3.7.3 Implementation of the Direct Allocation for Enabling Projects

The Direct Allocation for Enabling Projects is a distribution mechanism of the BSP, whereby CONAF proposes the type of project to be considered. The initiatives presented must go through a series of stages that consist of internal dissemination, submission, design, evaluation, and selection of the initiatives, which are detailed in this chapter and are also shown in Figure 10.

The management instrument associated with this mechanism corresponds to the Regulation for the Direct Allocation of Enabling Projects, which are published with the adjustments to the budgets and activities available by region, as specified in Chapter 3.5.2 Management instruments. The Project Management System (SGP) is the computer tool that supports the different technical, social, financial and administrative aspects of the initiatives. More information can be found in Chapter 4.2 Project Management System.



**Figure 10.** Process flow in the selection of proposals for the distribution mechanism Direct Allocation for Enabling Projects | **Source:** Own elaboration

#### ■ Internal dissemination

This corresponds to the process by which regional level offices are informed about the Direct Allocation, as appropriate. In this section, the activities to be financed and the amount available through the Regulations for the Direct Allocation of Enabling Projects are detailed.

#### ■ Submission process

The projects identified under the Regulations for the Direct Allocation of Enabling Projects must then be assessed by the evaluation mechanism available in the Project Management System, where they are submitted as "Enabling Flagship Projects".

#### Enabling Flagship Projects

*These correspond to those initiatives proposed by CONAF and the regional REDD+ Group for the implementation of activities under the Enabling Action Measures aimed at the beneficiary population, which are characterized by their high ecosystemic and/or sociocultural value. These projects must make a relevant contribution at the territorial level in terms of climate change mitigation and adaptation; generation of environmental services; combating desertification, land degradation and drought; the protection of biodiversity and ecosystems of high ecological value; support for local economies by promoting sustainable development, and restoration on a landscape scale and/or links with public lands and official environmental protection initiatives. Meanwhile, at the social level, initiatives will be sought that enhance ecosystems and/or sites of cultural or religious significance, that contribute to the strengthening of the worldview of indigenous and tribal peoples and support the restoration of the historical or cultural landscape, as well as proposals that encourage the participation of women and other vulnerable groups, which can be submitted through the Direct Allocation distribution mechanism. Following the allocation process, initiatives submitted under this category are called "Enabling Flagship Projects".*

### ■ Design of proposals

The design of the proposals is prepared in agreement with the beneficiary(ies) and the Technical Assistance Professional, considering the framework of the activities established in the Regulations for the Direct Allocation of Enabling Projects, in accordance with the available budget.

### ■ Assessment and eligibility

In this stage, the information associated with the variables that make up the evaluation mechanism, defined after the participatory processes of 2020, is processed and analysed, which are detailed in Annex 3, while the criteria were defined after the participatory process in 2024, which are available in Annex 1. Unified variables and criteria are available in the Regulations for the Direct Allocation of Enabling Projects, along with the environmental and social feasibility of the initiatives. Then, the head office verifies the quality and veracity of the information and documentation, this is where the technical, economic, social and environmental admissibility and feasibility of the initiatives is determined.

### ■ Project selection

Finally, the head office selects the proposals with the highest ratings and/or those that are aligned with the approach of the Enabling Flagship Projects, considering the criteria defined in the Regulations for the Direct Allocation of Enabling Projects.

## 3.8 Project implementation

The implementation of Territorial and Enabling Projects, which have been awarded and/or selected according to the Public Tender or Direct Allocation process, respectively, consists of a series of stages, with the signing of the Collaboration Agreement being the most important administrative milestone. Processes are also initiated to ensure environmental and social safeguards, the acquisition of goods and services for contracting external services for project implementation and, finally, carrying out monitoring processes for implemented projects.

### 3.8.1 Collaboration agreement

The signing of the Collaboration Agreement between CONAF and the individuals whose projects were awarded or selected, according to the Public Tender or Direct Allocation process, respectively, initiates the implementation process. At this stage, both the beneficiary and CONAF begin to exercise their rights and duties regarding the non-monetary benefits agreed upon for the implementation of the territorial activities defined in the process, including the continuity of the technical assistance provided by the Technical Assistance Professionals until the end of the project. For this reason, the agreements must:

- Only landowners who are of legal age (18 years) may sign. If the person is a minor, their legal guardian must sign.
- Be accompanied by the supporting documentation as established in the terms and conditions of the Public Tender and the Regulations for Direct Allocation.
- The signing of this document is a mandatory requirement for the execution of the project.

The implementation and monitoring period for each project will depend on the Action Measure implemented, as established in the Administrative and Technical Bases of the Public Tender and the Regulations for the Direct Allocation of Territorial and Enabling Projects, respectively.

### 3.8.2 Planning for implementation

The selected initiatives are categorized as either an “awarded project” under the Public Tender process or as a project selected through Direct Allocation. From this point on, projects must be developed through a process that includes the different milestones that ensure compliance and management of environmental and social safeguards as established in the ESMF.

With the information entered in the Public Tender Platform and the BSP, the technical teams in the regional offices of CONAF begin planning the implementation of the projects, considering various elements, such as: risk prevention and mitigation of impacts, technical and methodological requirements, ecological deadlines,

location, distances between properties, participatory processes, cost-efficiency assessment, and social and environmental feasibility, among other elements. This planning is done through the financial instruments available for the procurement of goods and services and is recorded for monitoring through an activity planning and budget execution approach in the BSP.

This is followed by the preparation of guidelines for the procurement of goods and services, which contain all the relevant aspects for the implementation of the different projects, including the procedures and instruments that must be incorporated into the execution, in line with the provisions of the ESMF, to ensure adequate management and compliance with the safeguards that are part of the ENCCRV. Once the tender documents have been prepared, they will be sent to the head office, where the procurement process for external implementation services begins.

In parallel, the CONAF regional team develops the Project Document, which continues the analysis and participatory processes carried out in the design and evaluation stages of the initiatives, in accordance with the procedures established in the ESMF.

The start of the implementation of the Action Measures in the territory may not directly follow the award of the external services for implementation of the projects, since the timing of certain activities depends on meteorological and ecological factors. This aspect is defined in the guidelines related to the contracting of external services for the implementation of the projects, as well as possible prevention measures during the project implementation, as determined by the responsible technicians.

Accordingly, once activities have begun in the territory, the regional team initiates the process of monitoring, which aims to track the execution of activities from the moment an activity is approved in the territory, including the environmental and social aspects of the beneficiaries and their properties, as well as the monitoring of forest carbon and non-carbon benefits.

The monitoring of the implementation of awarded and selected projects depends on the nature of the activity and is a joint effort between the Strategy teams, made up of professionals from the head office and regional offices. This process is carried out through the ENCCRV's Information Management Platform and the technical teams in the regional offices are responsible for entering and updating the information for each project on the platform, with integrated modules and data interoperability between the different systems. Meanwhile, CONAF's head office team is responsible for the proper functioning of the platform and its modules, their administration, verification of use, training of the Strategy teams and, in general, for everything required to ensure the proper functioning of the system. In addition, the head office team can verify the information entered by the technical teams of the regional offices through visits and inspections of the regional offices and/or beneficiary territories and individuals that have been awarded projects through the BSP.

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# Management, Monitoring and Evaluation

## Management, monitoring and evaluation

Implementation of ENCCRV projects and programmes, under different funding sources and schemes, requires monitoring and reporting on their administrative, financial, and technical elements. This requires evaluating the country's performance in reducing vulnerability to climate change, desertification, land degradation, and drought. Thus, the aim is to measure and report on the progress of implementation of the ENCCRV at different levels, as well as assessing the progress towards meeting the NDC targets and the country's other environmental commitments.

To carry out these activities, CONAF has developed an online tool called the ENCCRV Information Management Platform,<sup>20</sup> which forms part of the Strategy's Measurement and Monitoring System (SMM) that consists of a set of institutional arrangements and processes for monitoring, reporting and verification to facilitate the implementation of the REDD+ approach in Chile.

In this way, the information of the BSP is stored, standardized, managed and reported in the ENCCRV's Information Management Platform, which is made up of a series of interconnected systems and subsystems with the aim of operating in a coordinated, integrated and complementary manner to monitor the actions of the Strategy. The platform monitors the various operational aspects of initiatives and projects at the national and subnational scale, which are executed within the framework of CONAF's operations.

The platform is composed of the following systems:

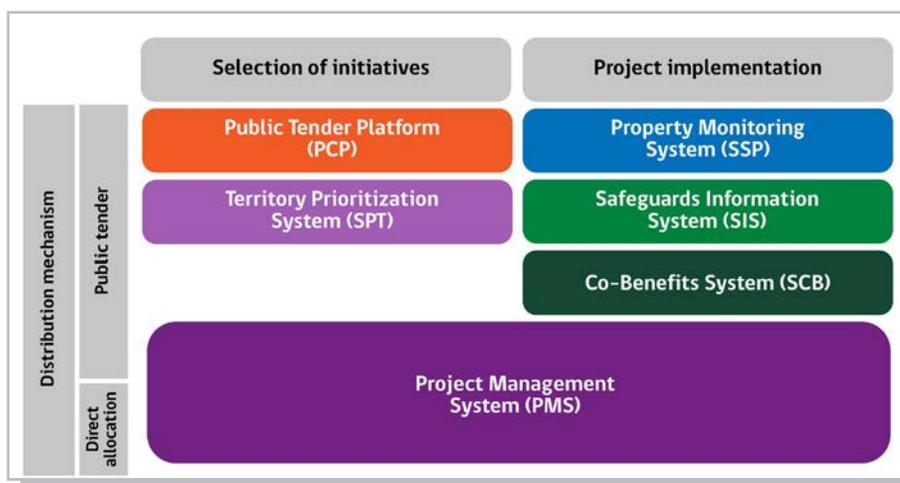
- Public Tender Platform (PCP)
- Territorial Prioritization System (SPT)
- Project Management System (SGP)
- Land Monitoring System (SSP) and its Forest Carbon Module
- Safeguards Information System (SIS)
- Co-benefits System (SCB)

The cycle of Territorial Projects submitted through the BSP Public Tender Process begins with the submission of the proposals by citizens on the PCP, where the basic information requested is recorded. Then, these proposals go through a process of elaboration and selection, where the SPT plays a role in identifying the priority areas for the assignment of scores. If the initiatives are awarded, they ultimately become projects that will be implemented at the territorial level. In the case of the distribution mechanism corresponding to the Direct Allocation for Territorial and Enabling Projects, these are entered directly into the SGP.

Comprehensive monitoring and management of projects and initiatives is carried out through the coordinated functioning of the different systems; the SGP addresses administrative, financial, and technical aspects at the strategic level; the SSP and its forest carbon module focus on forestry technical aspects and carbon accounting, and finally, the SIS covers technical, social and environmental aspects, in accordance with the requirements requested by the sources of financing and the national and international climate regulatory framework. In parallel, and interconnected with the rest of the platform's systems, the SCB monitors the social and environmental benefits of the Strategy's projects that are not associated with carbon (Figure 11).



<sup>20</sup> ENCCRV Information Management Platform. <https://plataforma.enccrv.cl/>



**Figure 11.** Integrated systems of the ENCCRV Information Management Platform | **Source:** Own elaboration

Thus, the systematization of REDD+ results monitoring has been implemented and operationalized, and monitoring targets have even been set for results-based payments. The BSP also allows for the effective distribution of benefits to the beneficiary population through the execution of territorial, enabling, and cross-cutting projects, associated with other financing schemes within the framework of the Strategy.

#### 4.1 Public Tender Platform (PCP)

The Public Tender Platform<sup>21</sup> is open both to the general public and to the strategy teams, i.e. professionals in the office at the central and regional levels. This system allows for joint work and serves as a bridge between the beneficiary population and the technical teams in order to efficiently operationalize the BSP. This platform arises from the need to provide support not only for the submission of the initiatives but also during all the stages of the tender process, considering the technical, social, financial and administrative aspects of the proposals. After the awarding process, the initiatives become projects that are implemented in the territory and their lifecycle within the framework of action of the ENCCRV begins, which culminates with their execution and corresponding monitoring.

In parallel, the management of the administrative-regulatory area of the Public Tender ensures that the entire process is transparent, traceable and auditable, which guarantees its security and integrity. Thus, the PCP facilitates coordination between users of the Strategy, since it has different profiles and roles that allow it to perform its specific functions in each of the different stages of the process, which include reviews, approvals, and participation in committees, among other important functions.

Considering its links with citizens in order to attract initiatives, the PCP operates in the public domain and is open to consultation by the entire population. This allows people to apply for the Public Tender Process, which allows them to access the activities available to be financed according to the modality of implementation, region and the budget allocated for each annual cycle.

In addition, the PCP automates the assignment of scores to eligible proposals and generates a ranking that organizes initiatives by region, modality, and other relevant variables, streamlining the award process in each tender cycle. Those awarded initiatives that receive financing for their execution become projects, which, as previously mentioned, are subsequently managed and monitored by the other systems of the ENCCRV's Information Management Platform throughout their lifecycle and/or execution.

<sup>21</sup> Public Tender Platform. <http://concurso.enccrv.cl>

Among the main features of the platform are:

- Automated generation of documents: minutes and summaries of submitted initiatives and awarded projects.
- Automated generation of cost estimates for specific activities.
- Automated generation of the ranking of proposals, corresponding to the updated evaluation mechanism.
- Automated calculation of the maximum available budget for each of the initiatives according to their typology.
- Automated restrictions for various processes: uploading of information, progress, and budget limits by activity, action measure and area.
- Sending of auto-generated emails to mark the different stages of the application process.
- Storage of background information, documents and means of verification for submitted proposals and awarded projects.
- Monitoring of collaborative work in real time.

In addition, the PCP is a continuous communication tool between CONAF and the people who participate in the Public Tender process, since it delivers real-time information to users on the status of their applications and the processes of information entry, design, evaluation and award, among others.

Finally, the PCP also has a reportability module that allows automated reports to be generated and downloaded, offering a clear visualization of the general results of the competitive cycle process at different territorial, property and forest stand levels. These reports contain detailed information on areas, selected actions, activities, and budgets, as well as including strategic data on beneficiaries, evaluation status, and scores obtained, among other information.



## 4.2 System for Prioritizing Territories (SPT)

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This is the system used to determine, in an objective manner, the priority areas for the implementation of the Action Measures of the Strategy based on their territorial characteristics.

These areas are defined using a multi-criteria spatial analysis that organizes and analyses environmental and social information corresponding to 28 indicators based on geospatial data collected from the country's 16 regions. As a result of the process, the SPT allows visualization of the areas prioritized by Action Measure and by region, in addition to enabling the downloading of two files for subsequent analysis: a spatial coverage with the polygons resulting from the analysis of the different indicators involved in the measure including their evaluation and corresponding prioritization weights, in addition to a file that corresponds to the attribute table of the associated coverage.

Currently, the SPT makes it possible to define priority areas for six Direct Action Measures of the Strategy aimed at carrying out afforestation, restoration, forestry preventive forestry of forest fires and sustainable management activities, as well as an Enabling Action Measure on technology transfer for the management of silvo-agricultural waste.

## 4.3 Project Management System (SGP)

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This system is responsible for managing the administrative and financial aspects of the programmes, projects and initiatives, within the framework of the work of the GCEBX, for the implementation of the Strategy and the BSP. It arises from the need to provide support for the management and monitoring of the technical, financial and administrative information of the ENCCRV, and to expand the capacity of the systems to allow the administration of several programmes at the same time, originating from different agreements and financing schemes, which are not necessarily within the results-based payment framework of the REDD+ approach. In this way, the SGP makes it possible to monitor key indicators for the reportability of the country's commitments, such as the NDC and the Biannual Transparency Reports (BTRs), among others, contributing to strategic decision-making at the management level.



This tool, therefore, makes it possible to manage the various resources needed to operationalize the ENCCRV. In addition, the SGP allows the management of contractual tools such as tenders, direct purchases and other types of agreements established with different institutions, which are necessary for the project implementation. In this regard, it supports the management of financial instruments in the national public sector, as well as those associated with national and international agencies. To accomplish this task, the SGP manages the administrative processes of these instruments with their respective milestones and deadlines, their cost lines and awarded or assigned budgets, both planned and actual, making it possible to organize these dimensions, through financial projections, Annual Operating Plans and their outputs, for each financing agreement.

The SGP, therefore, facilitates financial management at various territorial scales, for a variety of project typologies, from their activities and cost lines to the overall dimensions of the ENCCRV's actions. To support this management process, the SGP makes consolidated data available, using tables and graphs to guide decision-making, considering the complete portfolio of ENCCRV programmes, projects, and initiatives.

In addition, the various requests that arise from the flow of processes of the projects and programmes for the implementation of the Strategy are managed by the SGP, making it easier for users with different profiles, both in CONAF's regional offices and in its head office, to approve or reject these requests. To this end, the SGP records these actions in such a way as to ensure the traceability of workflows, thus allowing the auditing of changes in information systems. It also enables the automation of alerts, requirements, authorizations and other functions for the management of these processes in their different stages.

This tool manages the initiatives, projects, and programmes of the Strategy, which facilitates the monitoring of their initiation, execution, and administrative closure. This ensures that the projects are completed within the planned schedule and on budget once they are awarded through the PCP and migrated to the SGP to continue with their economic, financial, and technical monitoring at the strategic level.

To achieve objectives that cannot be achieved through the execution of isolated projects or initiatives, the SGP allows for the use of portfolio management to bring together different elements related to the collective monitoring of implementation within the framework of the financial instruments. In this way, the SGP manages the entire portfolio of a given financing agreement and, ultimately, the ENCCRV as a whole, while providing projected health indicators of the projects and programmes during the monitoring process.

Finally, through the human resources module, the SGP provides a variety of tools for managing the staff associated with the various ENCCRV bodies. This makes it possible to configure roles and skills for users, as well as planning and tracking the future capabilities of the work teams and assigning them to the execution of projects, including their workflows, stages, and requests.

In addition, the SGP supports the technical, social, financial, and administrative aspects of the initiatives received through the Direct Allocation mechanism, both for Territorial and Enabling Projects. The design, evaluation, and eligibility processes for these projects, along with the selection of the initiatives, are carried out using this instrument, while also allowing for the monitoring of Cross-cutting Projects when appropriate.

## 4 Property Monitoring System (SSP)

The Property Monitoring System is the system for monitoring the activities implemented within the framework of the ENCCRV, including those financed through the BSP or by other mechanisms. For this purpose, it includes a module for the technical forestry and forest carbon monitoring of the projects.

This monitoring tool has been designed as a dynamic system that, in the first instance, allows for the management of the project lifecycle from the perspective of monitoring the activities that contribute to the REDD+ approach, from their formulation to their execution and closing. As an online system, it facilitates the interaction of different users who participate in the formulation and execution of a project.

The SSP is administered from CONAF's head office. However, it is the regional units that are responsible for formulating, managing, implementing and monitoring the activities that are carried out.

The process for a project in the SSP begins with its creation in the system. The initiatives of the Public Tender are formulated in the PCP and, following the awarding process, they begin the registration process, in which



property and intervention area data, and information about the landowners and beneficiaries, as well as environmental and social data and a list of the activities to be carried out is provided. Projects are then assessed environmentally and socially for the purpose of developing the Environmental and Social Management Plan (ESMP), which is managed in the Safeguards Information System (SIS) that operates in parallel with the other systems in the Strategy. With this information, the technical teams in the regional offices can monitor and control both the ESMP and the execution of the activities, ending with the closure of the projects.

In addition, the SSP allows for the monitoring of forest carbon milestones based on the Forest Carbon Module. In this instance, the technical teams in the regional offices store the field survey data on dasometric variables<sup>22</sup> associated with the sampling, along with records of the activities carried out. This module also generates exportable results and tables on stands and the survival of afforested areas, among others.

The SSP is, therefore, designed to collect specific information on implementation and generate results reports. It then gathers the background information on the activities and sub-activities in accordance with the Action Measures of the Strategy, and the different areas associated with the interventions and types of forestry, together with all the technical data necessary for proper monitoring of the projects of the Strategy.

Given that each project has its own specific characteristics, they will each have different implementation, monitoring and evaluation plans. However, the SSP allows for constant monitoring and control of activities and, at the same time, semi-automated reports can be drawn up for established monitoring milestones or to generate controls on the status of project implementation.

Thanks to the information collected, the SSP allows the following indicators, among others, to be obtained:

- Intervened area by Action Measure.
- Intervened area by forest type.
- Total number of beneficiaries by gender, age, and belonging to indigenous and tribal peoples.
- Variables for carbon monitoring milestones of the projects based on the Forest Carbon Module.

As an online system, the SSP is interoperable with the other systems developed for the Strategy.

## 4.5 Safeguards Information System (SIS)

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The Safeguards Information System is the instrument through which Chile, as a country participating in the REDD+ approach and in compliance with the Warsaw Framework, supports the process of reporting to various national and international bodies, including citizens and sources of financing, on the way in which safeguards are being addressed and respected under the Strategy, in line with national legislation.

In accordance with the guidelines established by the UNFCCC, especially those set forth in Decisions 1/CP 16 and 12/CP 17, the following guidelines were considered for the design of the SIS of the ENCCRV:

- Ensure consistency with the guidelines and requirements of the UNFCCC and the agencies that have provided technical and financial support to the ENCCRV.
- Provide consistent, transparent, up-to-date and accessible information to relevant stakeholders.
- Develop a system that considers national circumstances and the technical, economic, and social capacities for its implementation and functioning. Also, be flexible to allow for improvements over time.
- Consider and comply with applicable national legislation and relevant international obligations and agreements.



<sup>22</sup> Dataset used by forest sciences to quantitatively characterize forests.

In addition, and in accordance with these guidelines, the SIS of the ENCCRV has the following objectives: i) to systematize information on environmental and social safeguards, associated with the different scales of implementation of the ENCCRV's Action Measures; ii) provide information in a transparent, up-to-date and consistent manner, on the ways in which environmental and social safeguards applicable to the ENCCRV are being addressed and respected through process and outcome indicators; and iii) facilitate the monitoring and identification of opportunities for improvement in safeguard management with a view to strengthening compliance with environmental and social safeguards.

The safeguards information generated by ENCCRV projects is stored, managed, and administered by the technical teams in the regional offices and the head office team through the use of the SIS, which allows for monitoring and evaluation of the projects that are selected through the BSP Public Tender (Figure 12).



**Figure 12.** Flowchart of the integration of safeguard processes in the ENCCRV Information Management Platform and the Safeguards Information System | **Source:** Own elaboration

As mentioned, the initiatives proposed through the BSP Public Tender Process are systematized and managed by means of the PCP. Once awarded, a migration is scheduled to the other systems of the ENCCRV's Information Management Platform, including the SIS, allowing progress in the formulation of the project through the collection of environmental and social baseline information.

The SIS allows for control and monitoring in accordance with the procedures established in the ESMF. Among these, the following stand out: the analysis of the consultation of projects before the Environmental Impact Assessment System (SEIA) of the country, the carrying out of the Environmental and Social Assessment (ESA) of the projects, the generation of the ESMP and the monitoring of prevention measures through means of verification to support the environmental and social commitments of the ENCCRV.

Finally, the SIS contains reporting modules and indicators, which make it possible to generate information for assessing the status of compliance with the country's environmental and social requirements.

It is important to note that all processes associated with safeguards in the SIS are evaluated on an ongoing basis in order to optimize them on the platform and continuously improve the reportability of the system.

#### 4.6 Co-Benefits System (SCB)

The Co-Benefits System is a management support tool that allows monitoring of co-benefits, or non-carbon benefits, at the national level, in order to determine the degree of reduction in vulnerability to climate change generated by the implementation of the Action Measures in the territory. This is done through monitoring indicators for the socioeconomic dimension, which includes the sociocultural and socioeconomic areas, together with indicators for the environmental dimension, which evaluate soil, water and biodiversity components in the Strategy projects. The calculation of the indicators is generated through geospatialized data of an environmental and social nature, allowing a visualization of these at the national, basin, sub-basin and property level, through calibrations of mathematical models.

## 4.7 Progress in monitoring emissions reductions

It should be noted that all emissions reductions achieved under the ENCCRV are monitored to provide information for some of the NDC indicators and current and future results-based payment arrangements, as applicable. The monitoring of emissions reductions resulting from REDD+ activities is carried out through the National Forest Monitoring System (SNMF), which is included in the SMM of the ENCCRV.

The SNMF has been implemented and has produced REDD+ results reports for Chile since December 2018. A second REDD+ Results Annex for December 2024 is currently being prepared. In order to monitor emissions reductions, it is necessary to establish a historical forest reference line, which has been prepared by CONAF. Chile's first FREL/FRL was developed and approved by the UNFCCC and the Carbon Fund in 2016 and was developed at a subnational scale, considering six regions from the Maule Region to the Los Lagos Region (both included) during the period 2001–2013.

In order to improve the estimate of emissions and sequestration from forest ecosystems, as well as to improve the accuracy of REDD+ results, and bearing in mind the improved availability of basic information for defining activity data and emissions factors, the FREL/FRL calculation was updated. In addition, the coverage of its application was extended to regions with the presence of forests, from the Coquimbo Region to the Magallanes Region. This process of updating the FREL/FRL began with capacity building, together with technical and methodological improvements, resulting in a report of national scope covering 99 percent of the country's forest areas.

This updated reference level was outlined and approved by the UNFCCC in 2024<sup>23</sup> and considers four REDD+ activities. The appropriation and approval process also entails a comprehensive review of the methods, data, assumptions, and considerations used in calculating emissions and removals. This review is carried out by panels of international experts who, through a detailed analysis, seek to guarantee the principles of consistency, transparency, comprehensiveness and completeness of the estimates made.

The methodology used for its estimation is based on the guidelines established by the Intergovernmental Panel on Climate Change (IPCC) for GHG accounting, as well as the FCPF Methodological Framework. It is also consistent with the country's National Greenhouse Gas Inventory (INGEI).

This baseline accounts for historical annual averages of tonnes of CO<sub>2</sub>eq, which are emitted or captured by forests through deforestation, forest degradation, stock enhancement, and forest conservation activities, as applicable. Its sources of information include land use maps prepared by CONAF based on the Cadastre of Native Forests and the permanent plots included in the Continuous Forest Inventory for assessing forest degradation.

To calculate the emissions reduction results, those of the FREL/NRF must be compared with a monitoring period. Chile applied this process when it presented the First Technical Annex on REDD+ Results. This comparison must take into account that the methods applied for the monitoring period are completely consistent with the baseline.

The technical requirements for monitoring the progress in emissions reductions include: the definition of monitoring periods that include calendar years (from 1 January to 31 December); collecting baseline information and generating inputs; establishing data, benchmarks and databases; and the estimation of uncertainty of the results, among other aspects. In this case, the calculation of results and the preparation of the report contemplate a monitoring period of 16 months, from the corresponding date until the end of the monitoring period.

Among the monitoring milestones prepared by CONAF, the presentation of the First Technical Annex of REDD+ Results in 2018 stands out. Its preparation process began in 2017 following the presentation of Chile's subnational FREL/FRL. The document of the First Technical Annex presented in detail the performance achieved



<sup>23</sup> REDD+ Online Platform, Chile. <https://redd.unfccc.int/submissions.html?country=chl>

by the country in reducing emissions in the area extending from the Maule Region to the Los Lagos Region, during the period 2014–2016, which was attached as an annex to the 3rd Biennial Update Report on Climate Change.

The estimation of REDD+ results was submitted to the validation and verification process by the UNFCCC panel of experts and approved in the second half of 2019. The positive performance presented by the country reached more than six million tonnes of emissions reduced per year, enabling access to the GCF results-based payment pilot window during the same year, allocating USD 64 million in climate finance to Chile.

In addition, the country has committed to the FCPF's Carbon Fund by signing the ERPA financing agreement, for a total volume of 5.2 million tonnes of CO<sub>2</sub> eq, considering the accreditation period from 2018 to 2023. The total emissions reduction contracted has been divided into three outcome monitoring milestones, which are clearly defined in the ERPA agreement. Each milestone is associated with a volume of CO<sub>2</sub> emission reductions. However, these milestones and volumes are estimates as they depend on the country's performance in each reporting period.

Consequently, each of these monitoring milestones must be included in the Monitoring Report on Reduced Emissions, which gives a full account of the implementation of the ERP, carbon accounting, estimation of uncertainties, safeguard considerations, reporting on benefit distribution, and monitoring of non-carbon benefits, among others.

Thus, the reduced emissions reported must be subjected to a process of validation and verification, carried out by an external auditor appointed by the World Bank. If the reports are approved, the reduced emissions will be entered in the Carbon Assets Tracking System developed by the World Bank for the Carbon Fund. There they will be traded with the fund for a value of 5 dollars per ton of CO<sub>2</sub> eq.

The first monitoring milestone of the Emissions Reduction Programme corresponds to the period between January 2018 and December 2019 and has been defined as retroactive monitoring of results. Both reporting periods were reported to the Carbon Fund through the submission of two monitoring reports submitted in 2023. The results show the condition of the country's native forest, highlighting the impact and vulnerability to the phenomenon of megadrought since 2010. In this context, significant forest degradation events have been detected in the regions of sclerophyllous forest and raulí-coihue-oak forest.

However, CONAF has demonstrated positive results in actions that reduce the loss of native forest by reducing deforestation during the ERPA accreditation period. Although the cumulative commitment volume up to milestone 2 has not been fully achieved, positive results for the country have been achieved with progress in the validation and verification process carried out by an external auditor. As a general output, Chile would be eligible to receive funding for the reduction of one million tonnes of carbon emissions.

In addition, a third monitoring milestone that will address the period between January 2022 and December 2023 still needs to be presented in the first half of 2025. The resources that may be received within the framework of this financing agreement will allow the implementation of the ENCCRV's Action Measures, and will be distributed following the guidelines of this BSP and according to the flow of funds described in the MOP.



## 4.8 Disposiciones institucionales para la gestión de las salvaguardas

The provisions of the environmental and social safeguards for the BSP seek to guide the prevention and mitigation of risks and potential negative socioenvironmental impacts, while maximizing the benefits associated with their implementation. To this end, the three management levels corresponding to approach, respect and compliance are applied in each of the stages of the BSP. In this way, the system has ensured compliance with a series of requirements based on the safeguards activated for the ENCCRV, according to the provisions of the ESMF and its updates.

With the entry into operation of the results-based payment phase of the ENCCRV, and with the support of various strategic partners, CONAF identified the opportunity to move towards the construction of a National Safeguards Approach that would strengthen governance and institutional management, while also making it possible to respond in a standardized and efficient manner to the country's multiple national and international commitments. This approach is based on the national legal and regulatory framework, as well as on the grouping of definitions, circumstances and requirements of the different sources of financing, in order to fully comply with the various international safeguard guidelines. It was reported to the UNFCCC in the Second Summary of Information,<sup>24</sup> which established a total of 12 "cross-cutting safeguard axes", as summarized in Figure 13.



<sup>24</sup> Second information summary: approach, respect and compliance with environmental and social safeguards for the implementation and results-based payment phases of Chile's National Strategy on Climate Change and Vegetation Resources (ENCCRV) for the 2018-2022 reporting period. <https://www.enccrv.cl/2do-resumen-salvaguardas>



**Figure 13.** Transversal axes of the National Safeguards Approach

**Source:** Own elaboration

#### 4.8.1 Management of safeguards in project implementation

The IFC is responsible for ensuring proper implementation and compliance with BSP safeguards as specified in the ESMF. CONAF is also responsible for including a set of monitoring, verification, and capacity-building actions in all Action Measures implemented under the ENCCRV, as well as monitoring and reporting on the application of safeguards based on information from the SIS.

As part of the design and updating of the BSP, CONAF has incorporated the safeguard considerations of the ESMF, placing special emphasis on participation as an essential principle for compiling and integrating the proposals, visions, and opinions of key actors in the territory (Annex 1).

Regarding the application of safeguards within the framework of the implementation of the BSP, the specific procedures, as specified in the ESMF, include the following elements:

- Integration of transparency considerations and full and timely access to information from an intercultural and gender perspective.
- Provide guidance, support, and monitoring related to respect for and compliance with safeguard considerations in dissemination actions.
- Ensure the delivery of information and access to the channels and mechanisms for complaints and suggestions available to applicants and beneficiaries.
- Implement ESA procedures that incorporate feasibility assessment, identification of risks, benefits, safeguards to be applied, socio-environmental characterization and diagnosis of the intervention area and environment, risk prevention measures, and the preparation of an Environmental and Social Management Plan.
- Exclusion from financing of activities contained in the exclusion list in force in the ESMF.
- Ensure participatory approaches are applied throughout the ENCCRV process, and that Free, Prior, and Informed Consent (FPIC) guidelines are followed, where applicable.
- Definition of responsibilities and requirements for safeguards implementation, monitoring, and evaluation.
- Apply monitoring and evaluation procedures that incorporate technical assistance, verify the effectiveness of prevention measures, and generate means of verifying the application and effectiveness of such measures, as well as channelling and managing responses to complaints and suggestions in the field.
- Evaluate and report on compliance with safeguards.

## 4.8.2 Complaints and suggestions mechanism

The Complaints and Suggestions Mechanism (MRS)<sup>25</sup> of the ENCCRV corresponds to the Comprehensive System of Information and Public Attention (SIAC) and, in particular, to the Information, Complaints and Suggestions Offices (OIRS) of CONAF. This instrument provides spaces for public attention, guaranteeing the non-discriminatory exercise of citizens' rights and equal access to information in a timely manner. Consequently, this SIAC service ensures the response of the respective specialists, through its different channels of communication (face-to-face, telephone and virtual) and responds to requests (queries, petitions, opinions, suggestions, complaints and congratulations) from citizens.

Chile has a robust institutional framework and comprehensive national legislation that facilitates timely access to information, the exercise of citizens' rights, and territorial coverage at the national level. Along these lines, the national system corresponding to the SIAC allows it to be used as the MRS of the ENCCRV, thus complying with the requirements established by various international bodies. The MRS fits within the existing operational, regulatory, and administrative structure of the country. The SIAC and the OIRS, therefore, depend administratively on the Citizen Participation Unit, under the auspices of the Communications Secretariat (SECOM) of CONAF, and have 34 OIRS offices for face-to-face public attention in all regions of the country, as well as a virtual platform that allows applications to be submitted through an online form. In addition, there is a printed form for applications made during field visits by project beneficiaries.

### MRS implementation protocol

The MRS maintained by CONAF facilitates transparent and effective management of any query, complaint, or suggestion that may arise with respect to the BSP implementation processes and/or the projects awarded as part of these processes. Its objective is to provide adequate, satisfactory and early solutions to the needs of the actors involved. This mechanism is preventive, problem-solving and practical, in order to reduce the impact of potential negative consequences of project implementation. Therefore, CONAF is responsible for receiving, processing, and addressing any complaints and/or suggestions arising from implementation of the BSP. The steps established to receive requests in the MRS are shown in Figure 14.



<sup>25</sup> Information Note No. 22: Complaints and Suggestions Mechanism (MRS) of the National Strategy for Climate Change and Vegetation Resources (ENCCRV). <https://www.enccrv.cl/nota-informativa-22>

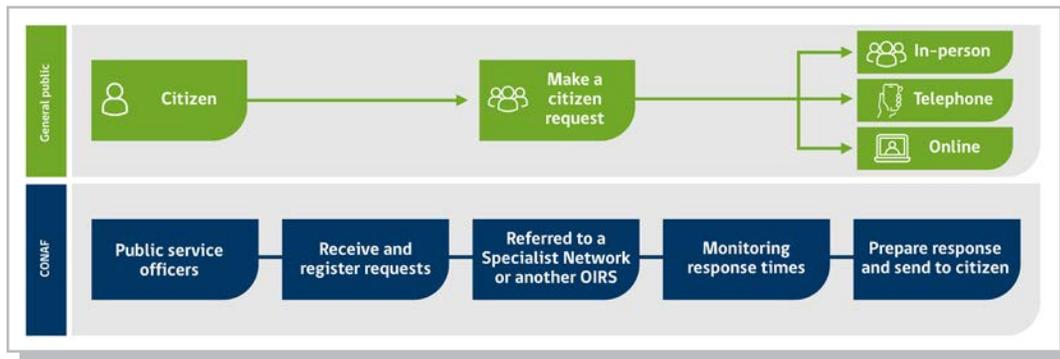


Figure 14. Operational flow for the MRS | Source: Own elaboration

### MRS implementation protocol in the field

In order to strengthen the right of access to information and to timely attention without discrimination, a protocol for the application of the MRS in the field was incorporated, taking into account the social, cultural and territorial conditions in which the projects are executed. In other words, since requests from project beneficiaries often arise during field visits (which are part of the technical assistance activities provided by the professionals of the regional teams), a protocol was developed that aims to address the challenges facing rural areas, such as connectivity and the digital divide. Figure 15 illustrates the flow rate for the application of the MRS during field visits.

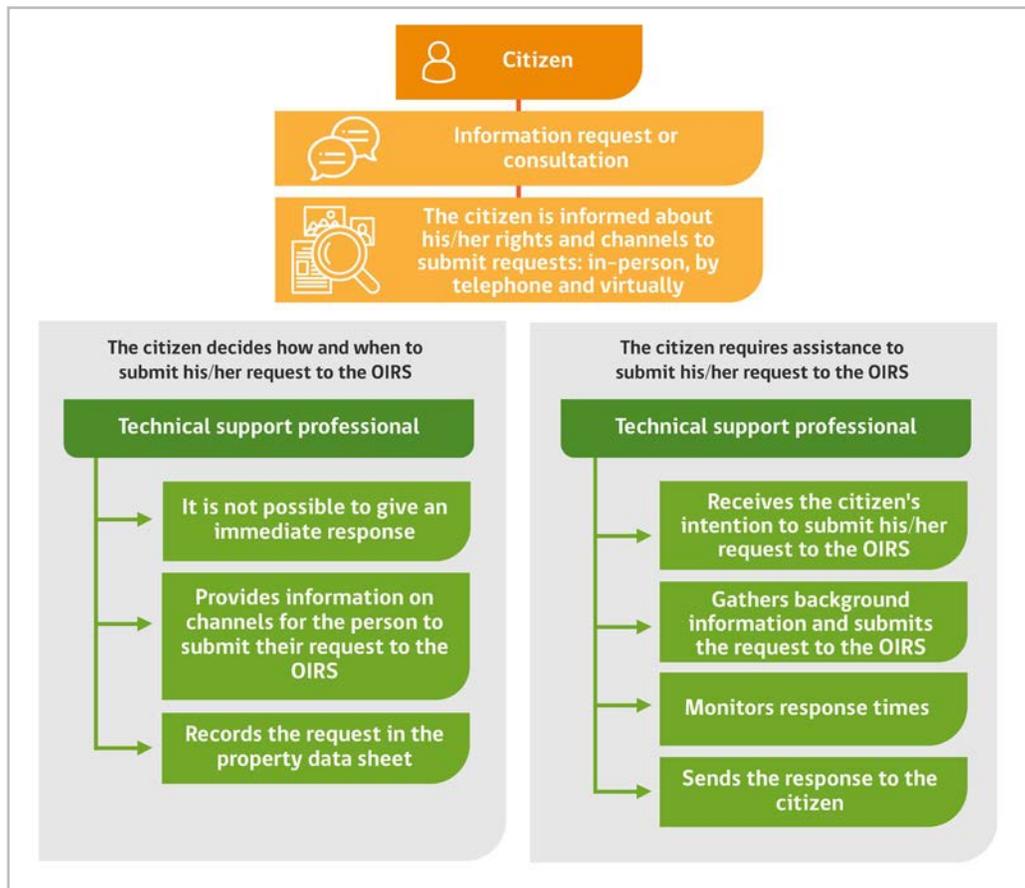


Figure 15. Field implementation flow of MRS | Source: Own elaboration





5

# Communications Strategy

# Communications strategy

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Implementation of the Benefit Sharing Plan requires a series of actions and communication plans to publicize its operation, objectives, and scope. These actions seek to ensure that information on the BSP, in conjunction with the bidding process and the ENCCR, reaches a wide range of potential beneficiaries. At the same time, efforts are being made to disseminate the importance of the actions of the ENCCR within the framework of the country's efforts to reduce the effects of climate change.

The BSP, on the other hand, has the power to distribute the resources coming from various financing agreements to the territories. This section, therefore, sets out general guidelines for the design of the specific communication plans for each financing agreement. These are detailed in the respective MOp of each agreement, thus addressing the specific characteristics of each source of financing and the institutions involved in the implementation of the ENCCR.

In this regard, the communications strategy is aligned with the climate change normative framework of current national and international legislation, together with the official communication guidelines established by the government through CONAF. The characteristics of the country and its population are also taken into account in order to promote transparency, inclusion and legitimacy in the activities of the BSP, through a multidirectional communications strategy, in which dissemination and environmental education actions converge, with special emphasis on the beneficiary population of the ENCCR and its BSP.

It should be noted that both the communication actions and key messages, as well as the media and communication channels, are dynamically adjusted to the preferences and languages of the different target audiences. Thus, emphasis is placed on communicating what the BSP is, how it works, its scope and the results that have been obtained in a clear and inclusive manner, ensuring access to information and non-discrimination for the most vulnerable groups, while incorporating gender and intercultural approaches.

## 5.1 Objectives

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The general objective of the communications strategy is to promote the BSP as a fair, efficient and transparent distribution instrument, which makes it possible to advance the objectives of the ENCCR, contributing to climate change mitigation and/or adaptation, while positioning CONAF as a benchmark, at the national and international level, in the implementation of the REDD+ approach. It also provides information about the role of the institutions that participate in each financing agreement, while highlighting the role of CONAF as the institution that leads the ENCCR, the BSP, and the programmes associated with the different sources of financing.

The communications strategy aims to develop actions that promote the activities being carried out to reduce vulnerability to climate change and combat desertification, land degradation and drought within the framework of the ENCCR. In addition, it aims to disseminate the BSP Public Tender in order to encourage the participation of potential beneficiaries in the call, while communicating, educating and raising awareness about the role that vegetation resources play in the conservation of the environment and its ecosystems.

Finally, it seeks to mainstream the use of gender and intercultural approaches in all communications, guaranteeing access to information in a timely, clear and transparent manner, while addressing the gaps in access to information for the most vulnerable groups within the beneficiary population, considering digital illiteracy, remote and hard-to-reach areas, and language and communication barriers.

## 5.2 Plans and actions

As mentioned, the communications plans and their various actions are adapted to each financing agreement and are detailed in the respective MOp, but must follow certain common general guidelines. These communications plans are focused on promoting the BSP among its beneficiary population, while highlighting the contribution of CONAF, and the relevant national and international institutions, to mitigating the effects of climate change through the sustainable management of vegetation resources.

In addition, the plans must seek to inform, educate, influence and involve the different target audiences through actions and instruments that achieve the fulfilment of the established objectives in an environmentally sustainable manner, using all the media and channels available, when appropriate, in a relevant and appropriate manner.

The actions and instruments are designed according to the target audience, the medium and channel selected, the key messages, and the performance indicators for evaluation. As the backbone of the communications plan, a common script is developed for each instrument, composed of several key messages that guide all communication initiatives for the different audiences. These messages are developed specifically for the proposed objectives and are updated in line with the evaluation of this strategy and the indicators defined for each of the actions and instruments.

As noted, all the plans and actions, as well as the products, tools, and other communication elements of this strategy, consider a gender and intercultural approach. This includes the design of messages in the languages of indigenous and/or tribal peoples, where appropriate, and the use of inclusive language in all communications, in accordance with the manual provided for this purpose.<sup>26</sup> Finally, these elements are strictly aligned with the Strategy's policy framework on environmental and social safeguards.

## 5.3 Audience

The target audience of the communications plan corresponds to the beneficiaries of the BSP and to all the actors, at different levels, to whom the communication of the ENCCRV is directed:

### External audience

- Rural and peasant sector, small and medium-sized landowners
- Members and groups of indigenous and tribal peoples
- Rural women and women's groups
- Civil society organizations (NGOs, foundations, groups, etc.)
- Private sector and service providers

### Internal audience

- Head office
- Regional offices
- Management team, departments, communications secretariat, OIRS
- ENCCRV's technical teams, made up of professionals from the head office and regional offices

### International organizations

- International organizations, including potential sources of financing
- UN agencies linked to the environment and climate change
- Other international climate finance mechanisms

### Government, authorities and decision-makers

- Ministers
- Members of parliament
- Presidential delegates
- Regional governors



<sup>26</sup> Guidelines for the use of gender-inclusive and intercultural language of the ENCCRV. <https://www.enccrv.cl/orientaciones-lenguaje-de-genero>

- Regional Ministerial Secretaries (SEREMIs)
- Public bodies linked to forestry, the environment, health, energy, economy, education, etc.
- Mayors and municipal officials
- Academics and researchers

#### Media

- Opinion leaders
- National and regional editors
- Environmental journalists
- International media correspondents

## 5.4 Spokespeople

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Spokespeople are responsible for maintaining communication with the different audiences through an effective communication strategy. To this end, the technical teams in the regional offices are prepared for different communication scenarios and situations, so that they can convey messages in a clear, concise, and timely manner, in line with the communication policies of CONAF and the other institutions involved in the work of the BSP and the ENCCRV Strategy, where applicable.

A distinction is made between the official spokespeople, who are responsible for external and internal communications, and the unofficial spokespeople, who do so internally. Both groups are prepared and trained to take on this role. Thus, the spokespeople are defined in the communications plan of each financing agreement in the MOP.

## 5.5 Validation of communication processes and products

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The production of all communication tools and instruments, including their generation and distribution in physical, analogue or digital media; the planning, organization and execution of communication activities, the definition of key messages, scripts, media and channels; the procurement of goods and services for dissemination; and, in general, any other output related to communicating the work of the BSP and the Strategy must be technically validated by CONAF, through its Department of Climate Change and Ecosystem Services (DCCSE) and the central Communications Secretariat (SECOM). Meanwhile, at the regional level, it is also necessary for the instruments to be validated by CONAF's Climate Change Unit and the regional SECOM.

## 5.6 Graphic identity and branding

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The graphic identity and branding of the Strategy and the BSP are governed by the ENCCRV's Branding and Graphic Standards Manual, which regulates, details and standardizes the graphic aspects of communications for the correct use of logos, formats, colour palettes and design of all communication elements. CONAF's head office, through the DCCSE and SECOM, is exclusively responsible for defining, managing, designing, and regulating the use of fantasy names, associated trademarks, slogans, and any other element of this nature related to graphic identity and branding for all dimensions of communications under the Strategy, the BSP, and the Public Tender Process, where applicable.

## 5.7 Assessment and indicators

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Along with the evaluation of performance indicators established for communication activities proposed for the various audiences, it is necessary to evaluate the effectiveness of the communications strategy and the achievement of its objectives using the following tools:

- Record of monitoring actions, instruments, products, initiatives and other communication elements.
- Analysis of media content in different media.
- Analysis of effective communication with targeted beneficiaries and internal institutional audiences.
- Survey conducted among beneficiaries to ascertain the degree of understanding of the communications and the related instruments.
- Survey of representatives of government agencies associated with the BSP, including professionals from municipalities and extension workers in the regions.



6

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# 7

**Annexes**

## Annex 1. Formulation and participatory process

### 1. Participatory processes for strengthening the ENCCRV's BSP

During the formulation of the ENCCRV, CONAF considered the guidelines defined in the Plan for the Implementation of Social and Environmental Safeguards for Citizen Participation, Indigenous Consultation and Self-Assessment,<sup>27</sup> which were used to guide the development of participatory processes through multiple approaches, such as sectoral, cultural relevance, and gender and territorial perspectives.

The technical and methodological background of this plan continues to be applied to the implementation and results-based payment phases of the ENCCRV. In particular, with regard to the development of the BSP, the design and continuous strengthening of the plan was carried out through various workshops held in 2019, 2020 and recently in 2024 with the stakeholders of the ENCCRV at the national level.

During the implementation of these workshops, a qualitative data collection methodology through focus groups was applied.<sup>28</sup> This also involved the development of other complementary activities such as updating the map of regional stakeholders, considering the maps from the formulation phase of the ENCCRV, as well as the development of inductive materials for the proper implementation of workshops and training of technical teams from regional offices, with a total participation of 48 professionals from CONAF, among others. For these activities, the criteria were developed collaboratively between the DCCSE, the Secretary for Indigenous and Social Affairs (SAIS) and CONAF's Gender Equity Unit (UIG).

As for the subnational workshops held in 2019 and 2020, between the Maule and Los Lagos Regions, the objective was to promote dialogue between participants to collect opinions and proposals based on knowledge and experiences in topics such as governance, modality, benefit sharing, the identification of variables for the allocation of resources between projects, and the risks associated with their implementation, among others.

In 2024, the territorial scope will be expanded from the Coquimbo Region to the Magallanes Region, adding six regions with respect to the 2016 FREL/NFRL, considering that they were agreed and approved by the UNFCCC at the subnational level of the Strategy. In this way, the ENCCRV has become established as a public policy instrument of national scope with workshops held in the 16 regions of the country for the purpose of gathering inputs to strengthen and update the Strategy, as well as promoting the efficient use of the institutional resources of the BSP.

#### 1.1 Participatory process 2019

The first participatory process was carried out within the framework of the dissemination of the results-based payment phase of the ENCCRV, between June and July 2019, covering the area from the Maule Region to the Los Lagos Region. It was attended by 157 representatives from the sectors corresponding to academia, Indigenous Peoples, the public sector, NGOs, the private sector and social organizations. Of the total number of participants, 19 percent belonged to Indigenous Peoples and 36 percent were women.<sup>29</sup> Table A1 shows the timetable and details of participation in the workshops held during this participatory process.



<sup>27</sup> Plan for the Implementation of the Plan for the Implementation of Social and Environmental Safeguards for Citizen Participation, Indigenous Consultation and Self-Assessment of the National Strategy for Climate Change and Vegetation Resources (ENCCRV) of Chile. <https://www.enccrv.cl/doc-salvaguadas>

<sup>28</sup> According to Information Note No. 25, focus groups are understood to mean "working groups belonging to a specific sector of society with similar interests, visions, and/or customs, on the basis of which workshops will be convened, and whose objective is to generate deliberate and analytical participation through the activity of systematizing information." More information is available at the following link: <https://www.enccrv.cl/nota-informativa-25>

<sup>29</sup> Details of this process, its preparation, and the results are found in Information Note No. 35 "Participatory Process for the Preparation of the Results-Based Payment Phase of the ENCCRV. <https://www.enccrv.cl/nota-informativa-35>

**Table A1.** Calendar of workshops held in the 2019 BSP participatory process

| City and region                | Date         | Total participants | Men        | Women     |
|--------------------------------|--------------|--------------------|------------|-----------|
| Temuco, Araucanía Region       | 27 June 2019 | 24                 | 18         | 6         |
| Puerto Montt, Los Lagos Region | 2 July 2019  | 34                 | 17         | 17        |
| Valdivia, Los Rios Region      | 4 July 2019  | 41                 | 23         | 18        |
| Concepción, Biobío Region      | 9 July 2019  | 22                 | 16         | 6         |
| Talca, Maule Region            | 11 July 2019 | 36                 | 27         | 9         |
| <b>Total participants</b>      |              | <b>157</b>         | <b>101</b> | <b>56</b> |

Source: Own elaboration

Through the methodology of focus groups, the attendees delivered their vision based on the following main pillars:

- 1. Governance:** regarding the representativeness and relevance of the CORECC.
- 2. Allocation of resources:** distribution of resources using the Priority Project and Public Tender modalities.
- 3. Identification of potential risks:** associated with the implementation of the BSP itself and the implementation of projects in the territory.

In summary, among the results obtained in the governance area, the need was identified to form the REDD+ Group, incorporating all the relevant actors in decision-making. In the resource allocation pillar, the results obtained validated the modalities of Priority Projects and Public Tender, considering an equitable distribution of resources between them (50 percent for each). Regarding the pillar of the identification of potential risks in the implementation of the BSP, the following aspects were highlighted: the inadequate allocation of resources, decision-making based on political rather than technical criteria, the lack of technical competence in the regional governance entity, the risks during the execution of activities in the territory, such as the lack of technical monitoring and evaluation, and the lack of continuity in the implementation of initiatives, among others. Table A2 presents a summary of the results and proposals collected from the participation process in 2019.



**Table A2.** Summary of key outcomes of the BSP participatory process by activity

| Activity   | Key results  |
|--|--|
| Governance   | <ul style="list-style-type: none"> <li>• Limitations of the existing governance structure to fulfil the functions of the BSP Regional Committee.</li> <li>• Operational difficulties in decision-making.</li> <li>• Limited technical capacity.</li> <li>• Primarily political in nature.</li> <li>• Insufficient territorial representativeness.</li> <li>• Governance structure not compatible.</li> <li>• Objectives do not coincide with the BSP.</li> </ul>   |
| Resource allocation  | <ul style="list-style-type: none"> <li>• 50 percent public tender and 50 percent prioritized project modality.</li> </ul>  |
| Risks of Implementing the BSP                              | <ul style="list-style-type: none"> <li>• Misallocation of resources.</li> <li>• Decision-making by the Regional Committee based on political criteria.</li> <li>• Lack of technical competence of the Regional Committee.</li> <li>• Inadequate targeting of resources.</li> <li>• Lack of territorial vision in proposal planning.</li> <li>• Failure to consider all social actors and socioeconomic levels.</li> <li>• Difficulty in incorporating properties with land tenure problems.</li> <li>• Lack of knowledge of the system by the landowners.</li> <li>• Limited dissemination of the ENCCRV and BSP.</li> <li>• Difficulty accessing resources.</li> <li>• Afforestation with species not suitable for the area.</li> <li>• Technical deficiency in implementation.</li> <li>• Non-continuity of initiatives.</li> <li>• Lack of technical monitoring and evaluation.</li> <li>• Reduced implementation time.</li> <li>• Lack of training and environmental education.</li> </ul> |
| Risks in the implementation of activities in the territory | <p><b>Environmental:</b> inappropriate material (contaminated, maladapted, exotic). Lack of knowledge in the handling of genetic material (type and quality of species).</p> <p><b>Failure to respect biological cycles:</b> lack of knowledge of intervention sites (affecting ecosystems).</p> <p><b>Social:</b> does not take into account the relevance and local cultural vision of all territorial actors.</p> <p><b>Operational:</b> technical and operational deficiency of the owner; lack of training in implementation and monitoring; insufficient labour availability (workers, firms); lack of technical implementation support; lack of technical monitoring and/or evaluation; and limited availability of material (plants, seeds).</p>   |

Source: Own elaboration

## 1.2 Participatory process 2020

The participatory process carried out in 2020 forms part of the preparation and planning activities for the results-based payment phase of the ENCCRV, taking into account the technical recommendations of international agencies such as the World Bank and FAO. The purpose of this process was to strengthen the participatory process of 2019, in order to validate the results obtained and reach additional agreements on aspects of governance, decision-making, risk management of the implementation of the BSP and execution of projects in the territory.

For its execution, a preparation and planning process was carried out in the context of the COVID-19 pandemic that involved the realization of a total of 13 workshops distributed between the Maule and Los Lagos Regions, which were held between November and December 2020. The participation by gender and total number of participants is shown in Table A3.

**Table A3.** Schedule of workshops, BSP participatory process 2020

| City and region           | Date  | Women      | Men        | Indigenous Peoples | Total participants |
|---------------------------|---|------------|------------|--------------------|--------------------|
| Maule                     | 27 November 2020<br>30 November 2020                    | 19         | 40         | 0                  | 59                 |
| Ñuble                     | 25 November 2020<br>November 26, 2020                   | 23         | 18         | 5                  | 41                 |
| Biobío                    | 27 November 2020<br>30 November 2020                    | 20         | 33         | 24                 | 53                 |
| La Araucanía              | 1 December 2020<br>2 December 2020                      | 19         | 30         | 4                  | 49                 |
| Los Ríos                  | 23 November 2020<br>24 November 2020                    | 34         | 23         | 16                 | 57                 |
| Los Lagos                 | 24 November 2020<br>26 November 2020<br>2 December 2020 | 34         | 35         | 19                 | 69                 |
| <b>Total participants</b> |   | <b>149</b> | <b>179</b> | <b>68</b>          | <b>328</b>         |

Source: Own elaboration.

On average, 45.6 percent of the total participants were women and 24.7 percent belong to Indigenous Peoples. Table A4 shows the distribution of attendance for each of the focus groups by region.

**Table A4.** Distribution of participation by focus group, BSP participatory process 2020

| Focus group                                  | Maule     | Ñuble     | Biobío    | La araucanía | Los Ríos  | Los Lagos | Total      |
|--|-----------|-----------|-----------|--------------|-----------|-----------|------------|
| CONAF  | 19        | 10        | 8         | 11           | 6         | 6         | <b>60</b>  |
| Small and medium-sized landowners            | 14        | 4         | 4         | 0            | 7         | 6         | <b>35</b>  |
| Consultants and extension workers            | 10        | 4         | 3         | 7            | 8         | 13        | <b>45</b>  |
| Indigenous women and small-scale landholders | 7         | 6         | 0         | 2            | 11        | 0         | <b>26</b>  |
| Institutional                                | 3         | 9         | 8         | 14           | 5         | 11        | <b>50</b>  |
| Academia                                     | 4         | 0         | 6         | 5            | 4         | 5         | <b>24</b>  |
| Private sector                               | 2         | 3         | 0         | 3            | 5         | 4         | <b>17</b>  |
| Indigenous Peoples                           | 0         | 4         | 22        | 3            | 5         | 19        | <b>53</b>  |
| NGOs   | 0         | 1         | 2         | 4            | 6         | 5         | <b>18</b>  |
| <b>Total</b>                                 | <b>59</b> | <b>41</b> | <b>53</b> | <b>49</b>    | <b>57</b> | <b>69</b> | <b>328</b> |

Source: Own elaboration.

In summary, according to the activities included in the methodology, the workshops yielded the following general results: 33 prevention measures associated with 12 environmental, social and operational risks of the

BSP were identified and systematized; five macro variables that will support the decision-making process in both project financing modalities were validated, together with the definition of their respective approach guidelines; municipalities, the Ministry of Public Works, SERNATUR, among other entities, were identified as being among the actors that should be represented in the regional REDD+ Group; finally, the distribution of resources of 50 percent for the public tender modality and 50 percent for prioritized projects was validated, considering the possibility of flexibility of these percentages. Table A5 summarizes the main results by activity from the BSP participatory workshops.

**Table A5.** Summary of key outcomes of the BSP participatory process by activity

| Activity  | Key results   | How the results were incorporated in the BSP   |
|---|---|--|
| Dialogue on measures to prevent potential negative impacts  | <p>Prevention measures associated with the following risks:</p> <ol style="list-style-type: none"> <li>1. Failure to consider all social actors and socioeconomic levels;</li> <li>2. Lack of training in implementation and monitoring;</li> <li>3. Lack of knowledge of the BSP on the part of the owners.</li> </ol> <p>Among the most recurrent measures of the proposals made by the Focus Groups are the following:</p> <p>Design a wide-ranging dissemination and communication plan using culturally appropriate media and communication methods.</p> <p>Carry out a methodical process of updating the map of territorial actors in the planning phase of the project.</p> <p>Design a training plan for technical teams in the regional offices, beneficiaries, and extension workers on project implementation and monitoring. Comply with the institutional oversight plan associated with the ERP regions.</p> | <p>The BSP has outlined the general principles that will ensure transparency through dissemination plans, and capacity building of various target audiences on aspects related to monitoring of project implementation. However, it should be noted that the operationalization of these procedures will be reflected in other complementary initiatives, such as the MOp.</p> |
| Dialogue on decision-making variables in project selection  | <p>Identification and definition of five macro variables that support the decision-making process:</p> <p><b>Ecosystemic:</b> guides actions for the preservation and sustainable management of vegetation resources, taking an ecosystem approach.</p> <p><b>Indigenous:</b> prioritizes actions that address the social and cultural vulnerability of organizations and individuals belonging to the nine indigenous peoples recognized in Chile.</p> <p><b>Gender:</b> seeks to prioritize and/or enhance the different roles of women in forest development.</p> <p><b>Territorial:</b> gathers information on governance, diagnostics, and planning and development tools of the region or of smaller territorial units.</p> <p><b>Socioeconomic:</b> promotes actions that seek to reduce the social and economic vulnerability of rural communities related to vegetation resources.</p>                             | <p>The BSP has incorporated the five macro variables and their definitions, which will serve as a guide to decision-making processes.</p>  |
| Dialogue on the results of the 2019 participatory process (composition of the regional REDD+ Group and percentage of benefit sharing by modality) | <p>The creation of the regional REDD+ Group was endorsed by 100 percent of the focus groups, complemented by the possibility of involving municipalities and the Ministry of Public Works, CONADI, the ADI councillors and representatives of the Indigenous Caucus of Chile, who were elected to represent the country's Indigenous Peoples.</p> <p>With regard to the percentage of distribution by financing modality, a 50/50 distribution for each financing modality was ratified, considering the special feature of making these values more flexible as a result of the evaluations of the results for both modalities in the year of project execution.</p>   | <p>The BSP has incorporated the new members of the regional REDD+ group proposed in the workshops. In addition, nominations from representatives of the social sectors in the MOp will be considered. Also, the incorporation of the members into the BSP is conditional based on the results of the performance evaluation.</p>   |

Source: Own elaboration.

### 1.3 Socialization process

Finally, the results of the workshops mentioned above were announced through a national workshop and six regional workshops held during 2021, during which the fourth edition of the BSP was presented.<sup>30</sup>

During the same year, presentations and spaces for consultations of the BSP were held in person, in order to clarify doubts about the general background and operational processes. Similarly, in June 2021, the World Bank approved the fourth edition of the BSP and its MOp for the ERP. This document describes the technical, administrative and financial procedures to implement the BSP in accordance with the provisions of the Emissions Reduction Programme (ERP) within the framework of the ENCCRV, thus constituting a guiding document for users.

### 1.4 Participatory process 2024 for updating the BSP

Regarding the participatory process in 2024 for updating the BSP, it coincides with the update of the ENCCRV. In this regard, it is designed considering the efficient use of institutional resources in accordance with the time and availability of the various territorial actors involved. In this context, a set of guiding questions was formulated in order to collect information on the current causes of degradation and/or deforestation of vegetation resources, actions to address them within the framework of the ENCCRV, and information on the modalities of resource allocation and prioritization of criteria for allocation among regions of the BSP.

In order to ensure comparability of the results of the participatory process with the results obtained from previous processes, the following focus groups were used to plan and systematize results:

1. Medium-sized landowners and smallholders
2. Private sector
3. Indigenous Peoples
4. Consultants and extension workers
5. Social organizations
6. Institutional
7. Indigenous women, women medium-sized landowners and smallholders and their organizations
8. Academia

Consequently, three complementary types of participatory events were carried out according to the key actors: virtual macro-zonal workshops, face-to-face regional workshops and virtual women's workshops.

#### **Virtual macro-zonal workshops**

Aimed at all organized sectors of society, focus groups directly related to vegetation resources and with prior knowledge of the ENCCRV are convened under a multi-stakeholder, multilevel, and multisectoral approach with a national scope. They are organized by macrozone according to the similarities present between the ecosystem and climatic conditions, as described below:



<sup>30</sup> BenefitSharingPlan(4th version), <https://www.enccrv.cl/sdb-espanol-4ta-version>



- **Arid:** Arica and Parinacota, Tarapacá and Antofagasta Regions
- **Semi-arid:** Atacama and Coquimbo Regions
- **Mediterranean:** Valparaíso, Santiago Metropolitan and O'Higgins Regions
- **Temperate:** Maule, Ñuble, Biobío, La Araucanía, Los Ríos and Los Lagos Regions
- **Austral:** Aysén and Magallanes Regions

#### **Regional face-to-face workshops**

These are aimed at individuals or groups with digital gaps, understood as inequality regarding access, quality, use and training in information and communication technologies. Priority is given to focus groups of Indigenous Peoples (in the regions where applicable), medium and small landowners, social organizations, and the private sector. The scope is always national and organized according to the needs of each region of the country.

#### **Women's virtual workshops**

Events aimed at women from sectors of society organized under focus groups directly related to vegetation resources. In addition, the criterion of national scope was met and the workshops were organized by macrozone, thereby strengthening the gender approach within the inputs collected for the update of the BSP.

A total of 649 people participated in the workshops, of whom 47 percent were women and 30 percent Indigenous Peoples. The results are summarized in Table A6.

**Table A6.** Distribution of macrozone participation, BSP participatory process 2024

| Macrozones                | Regions  | Workshop format     | Women      | Men        | Indigenous Peoples | Total participants |
|---------------------------|--|---------------------|------------|------------|--------------------|--------------------|
| Arid                      | Arica and Parinacota, Tarapacá and Antofagasta             | In-person & virtual | 53         | 41         | 63                 | 94                 |
| Semi-arid                 | Atacama and Coquimbo                                       | In-person & virtual | 36         | 37         | 32                 | 73                 |
| Mediterranean             | Valparaíso, Metropolitana and O'Higgins                    | In-person & virtual | 49         | 95         | 12                 | 144                |
| Temperate                 | Maule, Ñuble, Biobío, La Araucanía, Los Ríos and Los Lagos | In-person & virtual | 138        | 131        | 70                 | 269                |
| Austral                   | Aysén and Magallanes                                       | In-person & virtual | 30         | 39         | 20                 | 69                 |
| <b>Total participants</b> |  |                     | <b>306</b> | <b>343</b> | <b>197</b>         | <b>649</b>         |

Source: Own elaboration.

In terms of the focus groups, those with the most participants were the medium and small landowners group (30 percent) and the Indigenous Peoples group (17 percent). In addition, the macrozone with the highest attendance was the temperate area (Table A7).

**Table A7.** Distribution of participation by focus group, participatory process BSP 2024.

| Focus group   | Arid      | Semi-arid | Mediterranean | Temperate  | Austral   | Total      |
|---|-----------|-----------|---------------|------------|-----------|------------|
| Medium and small landowners   | 26        | 16        | 55            | 80         | 20        | <b>197</b> |
| Private sector  | 8         | 12        | 22            | 44         | 6         | <b>92</b>  |
| Indigenous peoples  | 27        | 17        | 12            | 45         | 12        | <b>113</b> |
| Consultants and extension workers   | 0         | 6         | 13            | 9          | 4         | <b>32</b>  |
| Social organizations  | 1         | 15        | 14            | 48         | 12        | <b>90</b>  |
| Institutional   | 14        | 4         | 18            | 10         | 12        | <b>58</b>  |
| Indigenous women, women medium and small landowners and their organizations | 16        | 3         | 10            | 31         | 3         | <b>63</b>  |
| Academia  | 2         | 0         | 0             | 2          | 0         | <b>4</b>   |
| <b>Total</b>  | <b>94</b> | <b>73</b> | <b>144</b>    | <b>269</b> | <b>69</b> | <b>649</b> |

Source: Own elaboration.

In summary, the general results are presented in Table A8 according to the activities planned in the methodology used for the workshops.

**Table A8.** Summary of key outcomes of the BSP participatory process by activity

| Activity                         | Key results   | How the results were incorporated in the BSP   |
|----------------------------------|---|--|
| Methods of resource distribution | <p>The results of the analysis of the participatory process led to the definition of the following five criteria:</p> <ol style="list-style-type: none"> <li>1. Transparency, evaluation and management</li> <li>2. Competitiveness and prioritization</li> <li>3. Accessibility, assistance, and oversight</li> <li>4. Collaboration and governance</li> <li>5. Participation and self-management</li> </ol> <p>These criteria form the basis for the definition of distribution modalities.</p>   | <p>Currently, the Public Tender process addresses the criteria defined after this consultation, being a mechanism that guarantees transparency and impartiality in the delivery of benefits, while providing assistance in the framework of a local governance structure that ensures participation.</p> <p>Following the participatory process, resources will be allocated directly through the Enabling Action Measures, which will be distributed at the national level.</p>   |
| Guidelines for redistribution    | <p>After the consultation, the results of eight criteria for the distribution of resources among regions were obtained, which are:</p> <ol style="list-style-type: none"> <li>1. Demand for territorial participation, historical equity, and governance.</li> <li>2. Desertification, degradation and ecosystem vulnerability.</li> <li>3. Socio-environmental vulnerability.</li> <li>4. Potential for ecosystem conservation and restoration.</li> <li>5. Efficiency, effectiveness, and sustainability in the use of resources.</li> <li>6. Incidence of natural disasters and/or environmental emergencies.</li> <li>7. Facilitation in education, research and extension.</li> <li>8. Territorial isolation and accessibility.</li> </ol> | <p>The criterion <i>“Demand for territorial participation, historical equity, and governance”</i> and <i>“Incidence of natural disasters and/or environmental emergencies”</i> are the criteria used to redistribute the allocations corresponding to <i>“rural area”</i>, <i>“rural population”</i> and <i>“multidimensional poverty”</i> at the regional level (Chapter 4.6.2).</p> <p>The rest of the criteria are used for the selection of proposals from the Direct Allocation distribution mechanism for Enabling Projects (Chapter 4.7.3).</p> |

**Source:** Own elaboration.

## Annex 2. Progress of BSP implementation to date

The implementation of the fourth version of the BSP began in 2020 through the GCF financing agreement. During 2021, the execution of pilot initiatives began between the Maule and Los Lagos Regions, with the launch of the first ENCCRV Public Tender the following year. Through this process, 397 projects were awarded, equivalent to 4 748 ha to be intervened. Then, in 2023, the second version was carried out, resulting in 464 awards, with a total of 6 996 ha to be intervened. During 2024, the third version was carried out, which resulted in 304 projects being awarded with a total intervention area of 7 637 ha.

To date, the results of the execution of the awarded projects are shown in Table A9.

**Table A9.** Results of projects awarded in 2022, 2023 and 2024

| Figures for Public Tender modality               | 2022  | 2023  | 2024  | Total  | Percentage |
|--|-------|-------|-------|--------|------------|
| Projects awarded                                 | 397   | 464   | 304   | 1.165  | -          |
| Area to be intervened (ha)                       | 4.748 | 6.996 | 7.637 | 19.381 | -          |
| Number of beneficiaries                          | 2.147 | 1.718 | 2.865 | 6.730  | -          |
| Number of women beneficiaries                    | 1.044 | 827   | 1.412 | 3.283  | 48         |
| Number of people belonging to Indigenous Peoples | 1.366 | 588   | 1.597 | 3.551  | 51         |

**Source:** Own elaboration.

This financing currently includes 3 551 permanent direct beneficiaries belonging to Indigenous Peoples, of whom 48 percent are women. In addition, 981 people have benefited through jobs in forestry operations and nurseries, among others (12 percent women and 21 percent Indigenous Peoples). Finally, regarding indirect beneficiaries, it is estimated that 6 539 people have benefitted during the implementation, considering both the areas of influence and the value chain of the interventions.

Regarding the progress made, corresponding to the types of proposals, during 2022 and 2024 the awards in the “small owners” modality represented 84 percent of the total, distributed in individual proposals (93 percent) and collective proposals (7 percent). The estimated area to be intervened reached approximately 9 610 ha, using 60 percent of the total budget awarded. In addition, the awards in the “other interested parties” modality constituted 16 percent of the remaining total, highlighting the awards to medium-sized owners (56 percent) and other organizations such as fiscal properties, municipalities and NGOs (44 percent) with a total estimated area of 9 770 ha and representing 40 percent of the total budget awarded.

In terms of implementation and investment, 821 territorial intervention projects have been executed in different municipalities of the six regions in the current accounting area. In terms of land area, these projects represent a cumulative progress of 11 440 ha (44 percent of the total goal), which includes the actions indicated in Table A10.

**Table A10.** Implementation results and progress in land area

| Action Measures   | Area of progress (ha) |
|---|-----------------------|
| Afforestation and revegetation programme in priority communities/areas (MT.4)               | 1.932                 |
| Strengthening of the ecological restoration programme in prioritized districts/areas (MT.5) | 3.013                 |
| Post-wildfire ecosystem restoration programme (IF.2)  | 531                   |
| Preventive forestry programme with emphasis on urban-rural interface (FI.3)                 | 994                   |
| Institutional forest management programme focused on public and private lands (US.1)        | 3.624                 |
| Strengthening the Wood Energy Programme and the country's Energy Matrix (US.3)              | 1.346                 |

Source: Own elaboration.

With respect to the implementation of the ENCCRV's Enabling Action Measures, significant progress was made toward achieving the goals of the financing agreement with the GCF, which are indicated in Table A11.

**Table A11.** Results and progress of the Enabling Action Measures

| Programmes  | Percent Progress | Progress observed  |
|---|------------------|--|
| Environmental Education and Dissemination Programme (MT.6).   | 100              | It met its target with 3 607 participants in 102 activities.   |
| Programme for the Technology Transfer of Alternatives for the Management and Use of Agricultural Residues in Forestry and Agriculture (IF.6). | 80               | It partnered with the Institute of Agricultural Research (INIA) in the dissemination, training of more than 1 500 people and generation of 48 workshops between the Maule and Los Lagos Regions. |
| Adaptation Programme for the Management of Plant Resources in the Context of Climate Change (GA.1).   | 60               | It has invested USD 3 million in nurseries and the training of 580 nursery workers.  |
| Programme to Strengthen Forest and Environmental Oversight (MT.7).<br>Communications Strategy   | 42               | Significant progress in the acquisition of enforcement technology and training.  |
|   |                  | It included a total of 129 dissemination activities and the issuance of 52 press releases with a local and national focus.   |

Source: Own elaboration.

Following this implementation cycle of the fourth edition, lessons learned are summarized as follows:

- The expansion and flexibility of the scope of financing that can be distributed through the BSP is necessary given the difficulties in accessing international financing linked to results-based payment, which depends on the country's capacity to demonstrate reductions in GHG emissions. In this regard, leveraging other types of financing is necessary.
- The widespread dissatisfaction in the regions not included in the NFERL/FRL due to their lack of participation in the distribution of resources led to a decision to expand the scale of the BSP from subnational to national.
- It is necessary to adjust the mechanism for allocating resources at the regional level due to an inequitable and inflexible distribution, which does not allow for the redistribution of the budget according to the needs or contingencies that occur in the territories.
- Clarification and elaboration of the guidelines on budget execution not linked to territorial implementation (Cross-cutting Projects, Enabling Action Measures, operational expenses).
- The definition of the specific beneficiary population for the BSP needs to be clarified, since the definition presented in national legislation contains ambiguities that are subject to interpretation.
- Streamlining of administrative processes is necessary given the work overload observed in the regional teams during the implementation process.



## Annex 3. Cross-sectional variables

In one of the main results of the participatory processes in 2020, described in Annex 1, cross-cutting variables were defined for the evaluation of the initiatives submitted to the evaluation mechanism, which are detailed in Table A12.

**Table A12.** Cross-sectional variables, definitions and guidelines

| Variable    | Definition   | Purpose of the variable   |
|-------------|--|---|
| Territorial | It gathers information on existing governance, diagnostics, planning and development tools or smaller territorial units.   | Incorporate a comprehensive vision of the territory, taking into account aspects of geographic, hydrographic or ecosystem homogeneity (mountain range, coast, basin and sub-basin, among others).                       |
|             |  | Make actions compatible with the policies and diagnoses provided for in planning and territorial development tools (for example, the Regional Development Strategy).  |
|             |  | Prioritize actions in territories historically affected by the effects of climate change (for example, water availability deficits or forest fires).  |
|             |  | Promote initiatives developed through the social and community representation of the territory (rural areas, trade associations, etc.).   |
| Ecosystem   | It guides actions for the preservation and sustainable management of forests through an ecosystem approach.  | Prioritize activities in ecosystems affected by or susceptible to the effects of climate change (fragmented vegetation resources, wetlands, scarce formations and/or species in conservation categories, among others). |
|             |  | To protect and/or enhance ecosystem services through the sustainable management of the forest (NWFPs, biodiversity, water provisioning and regulation, among others).   |
|             |  | Promote the use of forest species that are efficient in terms of carbon removal, without negatively impacting the ecosystem (use of native species).  |
| Indigenous  | It prioritizes actions that address the social and cultural vulnerability of organizations and individuals belonging to the nine Indigenous Peoples recognized in Chile. | Consider complementarity with Indigenous Peoples' productive and vegetative resource conservation initiatives (such as the Indigenous Parks Network).   |
|             |  | Involve the governance bodies and traditional authorities of the indigenous communities.  |
|             |  | Promote ecosystems and/or sites of cultural or religious significance, in accordance with the indigenous world view, as well as other types of spaces or areas of ancestral use.  |
|             |  | Involve Indigenous People, communities, associations, and organizations as beneficiaries and/or titleholders.   |

| Variable      | Definition  | Purpose of the variable   |
|---------------|---|---|
| Gender        | It seeks to prioritize and/or enhance the different roles of women in forest development.   | Involve women and representative organizations as beneficiaries in specific and distinctive ways.   |
|               |   | Promote and/or enhance productive activities carried out by women in order to improve their income (e.g. beekeeping, handicrafts, among others).                    |
|               |   | Seek to strengthen women's technical skills and resource management.  |
|               |   | Valuing initiatives developed by women and their representative organizations.  |
| Socioeconomic | It promotes actions that seek to reduce the social and economic vulnerability of rural communities related to vegetation resources. | Prioritize actions that benefit vulnerable social groups, in accordance with their age range.   |
|               |   | Consider the valuation of non-carbon benefits as part of decision-making processes in initiatives.  |
|               |   | Promote associativity and alliances in forest-related productive activities (for example, associations of collectors and processors of non-timber forest products). |
|               |   | Make the initiatives compatible with the economic activities of the beneficiaries and areas of intervention.  |
|               |   | Consider the sustainability of initiatives based on the visible commitment of communities and/or beneficiaries.   |

**Source:** Own elaboration.









### Corporación Nacional Forestal

Departamento de Cambio Climático y Servicios Ecosistémicos (DCCSE)  
Gerencia de Conservación de Ecosistemas Boscosos y Xerofíticos (GCEBX)  
Corporación Nacional Forestal (CONAF)  
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