

ENCOOP

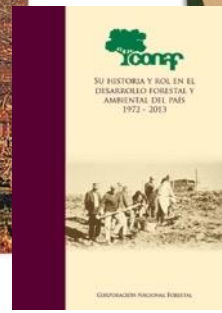
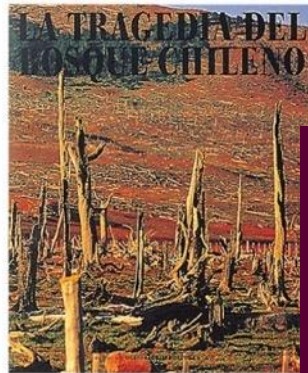
# ERPD CHILE

Emission Reduction Program for the Carbon Fund of the FCPF



TODOS  
POR  
CHILE

# Background of Chile Forestry Sector



Type of Forest	Surface area (ha)	%	Shares in Forestry GDP
Native Forest	14.269.672	83%	3%
Planted Forest	2.872.000	16%	97%



## What is the ENCCRV?

A set of direct and facilitative action measures based on a national technical and participatory formulation process focused on addressing Climate Change, Desertification, Land Degradation and Drought (DLDD) through vegetation resources in order to avoid and reduce historical rates of deforestation, de-vegetation and degradation of native forests, xerophytic formations and other vegetation formations. As well as promoting the recovery, afforestation, revegetation and sustainable management of the native resources of Chile.

**The ERPD is the pilot subnational scale support of the ENCCRV to the Payments for Results.**

# Objectives of the ENCCRIV



Decrease social, environmental and economic vulnerability generated by climate change, desertification, land degradation, and drought of vegetation resources and the respective dependent communities. Aiming to increase resilience of the ecosystems and contributing to the mitigation of climate change. Thus, enhancing the reduction and capture greenhouse gas emissions in Chile.

# Validation of the ENCCRv

ENCCRv



Constructed and validated through a broad national participatory process  
2014 - 2016



Validated by the Directive Council of CONAF on 11 October 2016



Officially published on 3 November 2016



Validated by the Council of Ministers for Sustainability on 14 November 2016

# Validation of the ENCCRV

ENCCRV



CONTRIBUCIÓN NACIONAL  
TENTATIVA DE CHILE (INDC) PARA EL  
ACUERDO CLIMÁTICO PARIS 2015

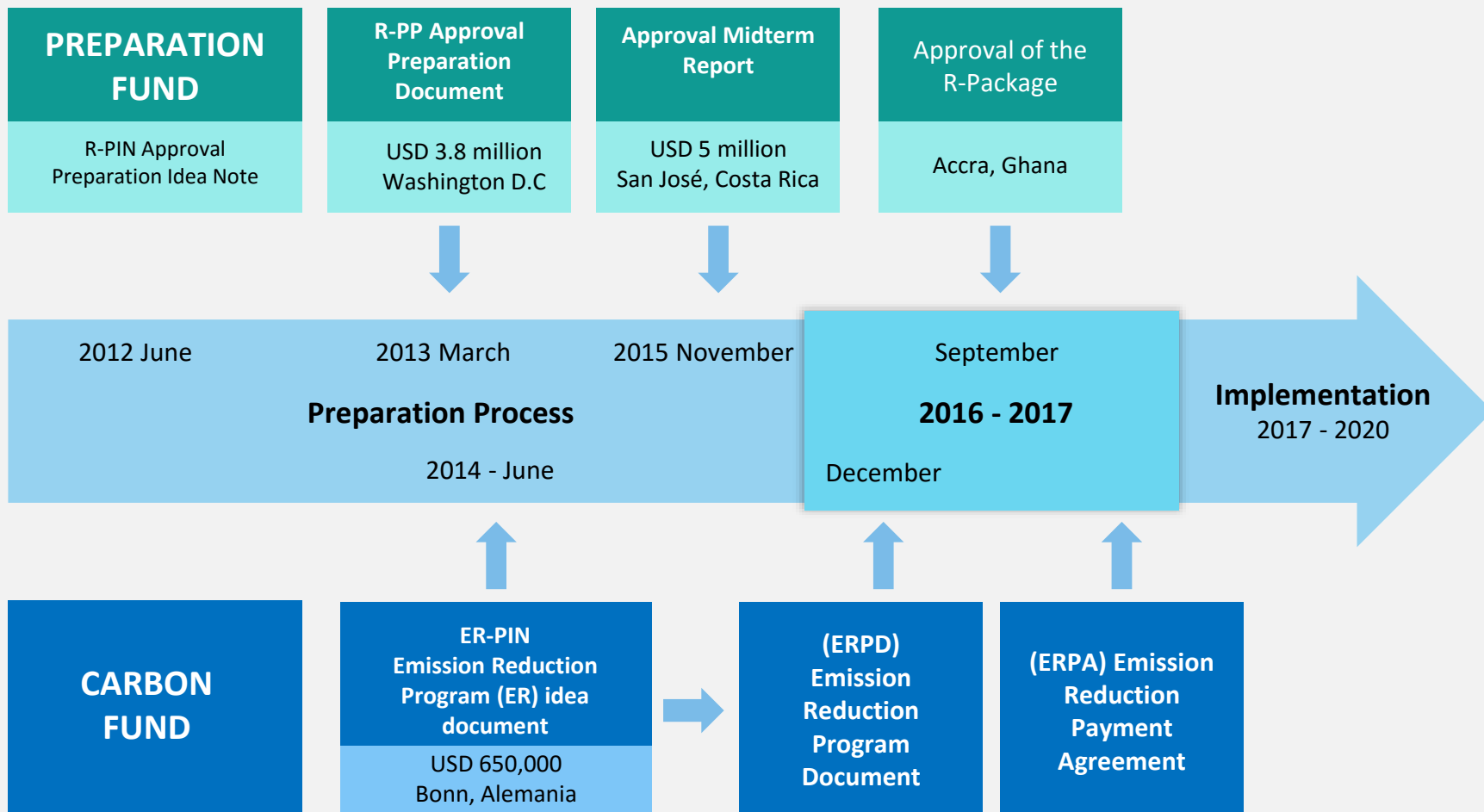
Septiembre 2015



The Chile INDC document indicates as one of the tools to achieve the goal of the Forestry INDC is the ENCCRV.

This is ratified by the President of Chile in the CoP22, Marrakech, Morocco, 15 November 2016

# Advance and Planning of FCPF Activities in Chile



# Responsible Entity for Management and Implementation of the ER Program



- ✓ Ministry of Agriculture of Chile
- ✓ National Forest Corporation (Forest Service)

## Associated organizations and other organizations participating in the ER Program

### International Donations

- **World Bank, Swiss Cooperation, IDB, FAO, UNDP, UNEP.**

### Public Services

- **Ministry of Foreign Affairs** through the Directorate of Environment and Maritime Affairs (DIMA) and its Agencies for International Cooperation and Development (AGICD).
- **Ministry of Environment** through its Department of Climate Change.
- **Ministry of Agriculture** and its Services. (AGAP), Forest Institute (INFOR), Agrarian Innovation Foundation (FIA), Agricultural Development Institute (INDAP), Agricultural and Livestock Service (SAG), Natural Resource Information Center (CIREN).
- **Ministry of Social Development.**
- **Ministry of Finance.**

### International Technical Assistance

Winrock International, Climate Focus, Ernst Basler + Partner (Switzerland), CATIE (Costa Rica).

### National Technical Assistance

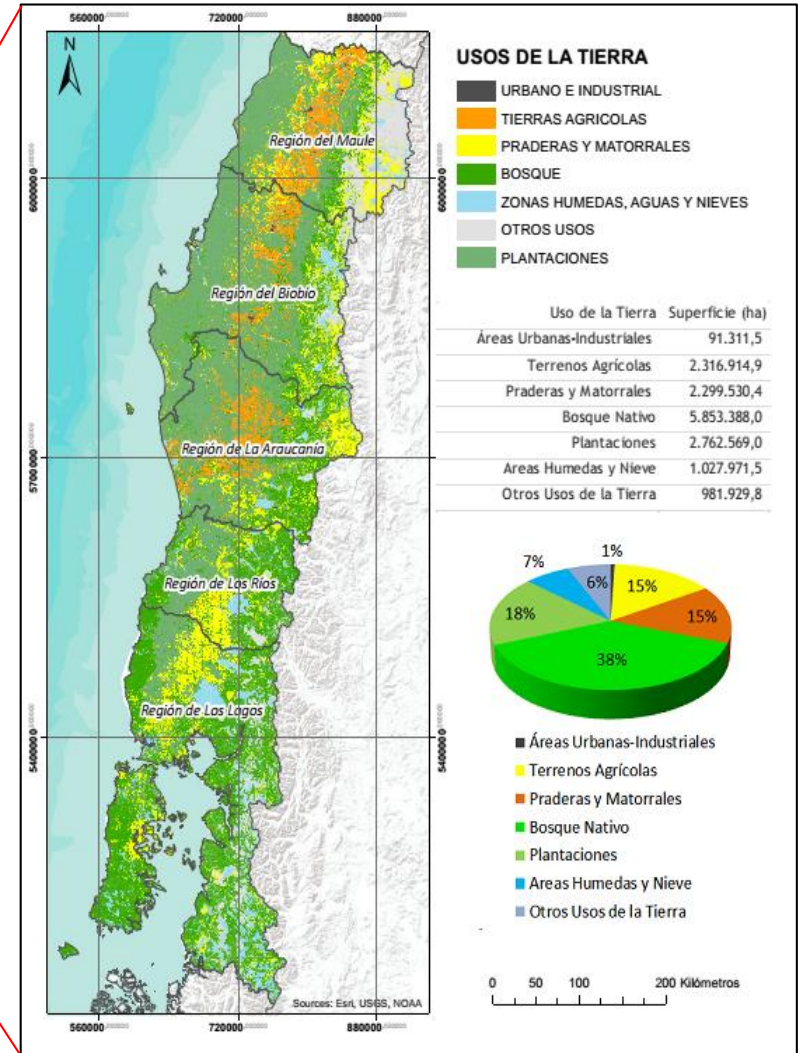
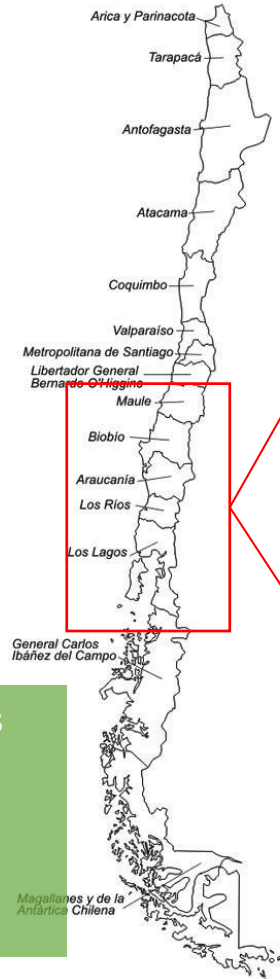
National Firewood Certification System, TECO Group, Southern Austral Consulting, Universidad Austral de Chile (UACH), University of Chile, Universidad Mayor de Chile, Santiago Climate Exchange (SCX), Forest Engineers NGO for the Native Forest.

# Ambition and Strategic Justification for the ENCCR and the ER Program

- ✓ Mainly focused on compliance with the Forestry INDC of Chile.
- ✓ It integrates aspects associated with the Convention to Combat Desertification and the Convention on Biological Diversity with REDD +.
- ✓ National strategy that starts with the subnational approach of the ER Program.
- ✓ Period 2017-2025.
- ✓ Subnational approach that includes 5 Regions representing 41% of the country's native forests.
- ✓ Contemplates the 5 REDD + Activities.



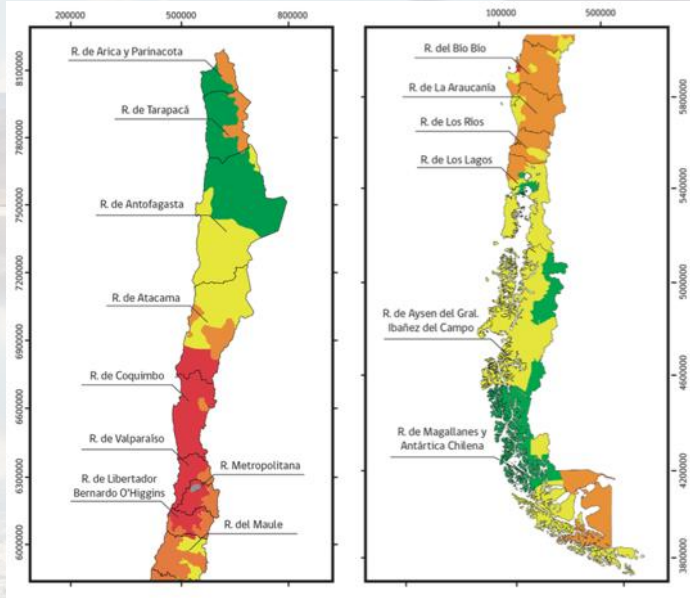
# ER Program Location



- ✓ Area with Native Forests under major pressure of deforestation and degradation.
- ✓ 11 of 12 Forest Types.

# Ecosystem and Vegetation Resources Vulnerability

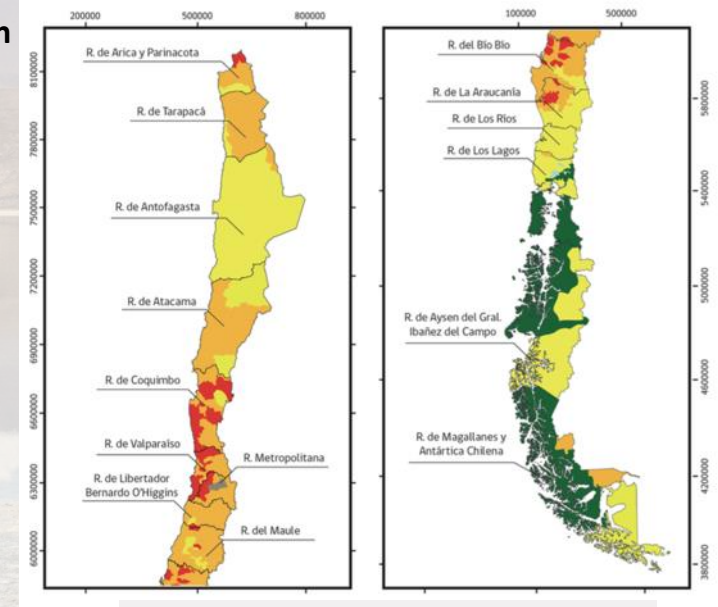
## Drought



### Simbología

- Sequía Grave
- Sequía Moderada
- Sequía Leve
- Sin observación de sequía

## Land Degradation



### Simbología

- Degradación Grave
- Degradación Moderada
- Degradación Leve
- Sin Degradación
- Uso Urbano

Chile is especially vulnerable to climate change as it presents 7 of 9 vulnerability characteristics. Four of these characteristics are objectives of the ENCCRV.

# Actions and Intervention Proposal of the ER Program

Methodological schema for the definition of causal factors, activities and action measures



1. Technical and participatory identification of the causes.



2. Homologation and prioritization of the causes by macrozones of Chile.



3. Qualitative and quantitative characterization of the causes in terms of their negative effects in social, environmental and economic areas.



4. Definition of activities and action measures to deal with the causes.



5. Identification of priority areas/communes to implement activities and action measures.



# Actions and Intervention Proposal of the ER Program

Process of Formulation of the ENCCR V

## Regional Workshops



**1.266**  
Participants



**37%**  
Women



**9%**  
Indigenous people

## National Workshops



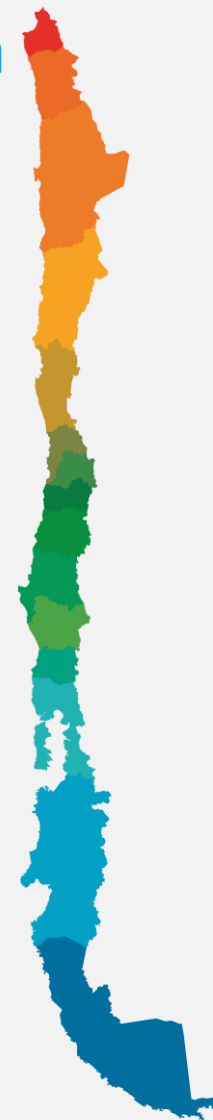
**125**  
Participants



**31%**  
Women



**8%**  
Indigenous people



# Actions and Intervention Proposal of the ER Program

Consults and Validation of interest groups

## Indigenous Participation and Dialogue Process

### R-Package

- 74** Participants
- 35%** Women
- 15%** Indigenous peoples



**1813**  
Participants

**48%**  
Women

**987**  
Communities

### Citizen Consultation

**506**  
Participants

**41%**  
Women

**42%**  
Regional Participation



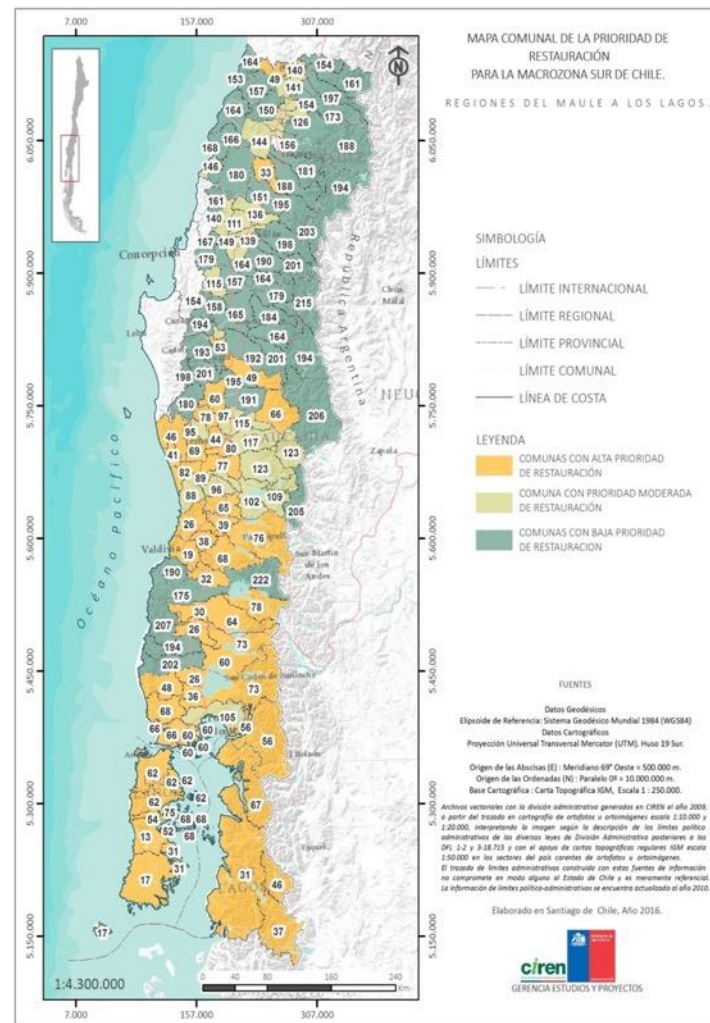
# Actions and Intervention Proposal of the ER Program

## Definition of priority communes for the implementation of Action Measures

*Communes Prioritization (f) =*

- *Reference Emission Level*
- *Ecosystem vulnerability to CC and DDT*
- *Socioeconomic vulnerability to CC and DDT*

*Study of the socio-economic impacts of the ENCCRV action measures in the priority areas*



# Ongoing projects in the Area of Accounting



*Región del Maule*



**Preventive forestry to reduce the occurrence and dispersion of forest fires**

*Región del Biobío*



**Restoration of native forest with emphasis on the provision of water resources**

*Región de La Araucanía*



**Support of the Restoration Plan for the China Muerta National Reserve in the Framework of the National Strategy for Climate Change and Vegetable Resources of Chile**

*Región de La Araucanía, Carahue-Puerto Saavedra*



**Sustainable Land Management Intervention**

*Región de Los Ríos*



**Restoration of native forest with emphasis on the provision of water resources**

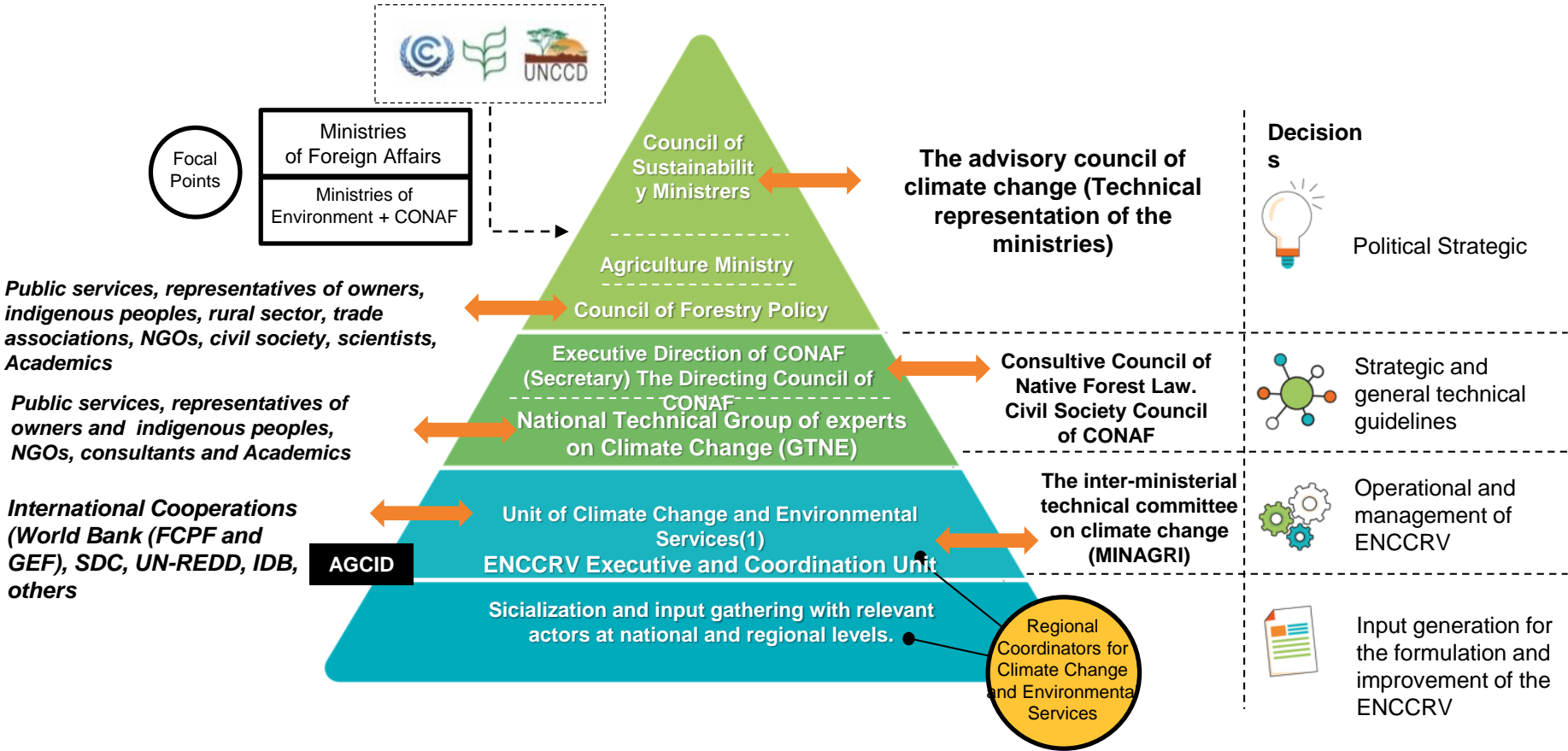
*Regiones de La Araucanía, Los Ríos, Los Lagos y Aysén*



**Logging and Climate Change Project**

# Operational and Financial Planning

## Institutional Arrangements



The UCCSA is created by Resolution No. 168 of April 23, 2014 after approval by the board of CONAF.

Designates CONAF as UNCCD Focal Point through Resolution No. 37 of 17 June 1997 the Council of Ministers of the Environment, and as Focal Point for REDD+ through Letter No. 99 of MINAGRI-MINREL of February 19, 2014.

# Operational and Financial Planning

## ER Program and ENCCRV Budget Proposal

BUDGET	Total (USD)		
	Total Budget	Total Incondit. Budget	Total Condit. Budget
ENCCRV	433,044,712	69,287,154	363,757,558
%	100%	16%	84%
Er Program	174,072,472	52,851,216	121,221,256
%	100%	30%	70%

## Implementation planning



Agencia Suiza para el Desarrollo y la Cooperación COSUDE



GREEN CLIMATE FUND



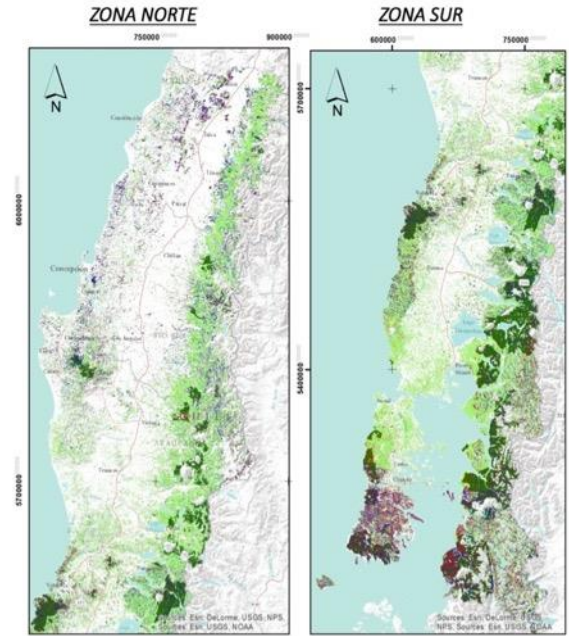
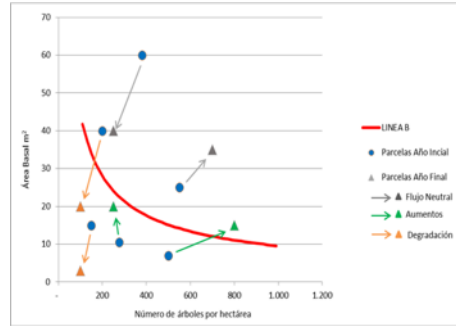
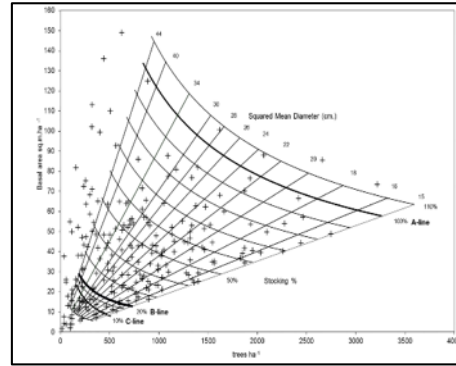
CPL Consejo Nacional de Producción Limpia

+ Private Sector

# Reference Level of Accounting Area

Innovative methodology to estimate Forest Degradation gathering data from permanent forest inventories and the use of remote sensing tools.

Reviewed by UNFCCC and TAP (FCPF)



## FREL/FRL Sub-national:

FREL/FRL	
REDD+ Activity	Ton CO2e/year <sup>1</sup>
Deforestation	3.452.884
<b>Degradation</b>	<b>9.149.392</b>
Conservation	-2.430.439
Enhancement	-10.012.012

## Uncertainty:

Uncertainty (%)	33,70%
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# Emission Reduction Calculations

Reduction due to REDD+ Activities on a jurisdictional scale	Reduction of Emissions by Deforestation	Reduction of emissions by Degradation	Enhancement of forest carbon stock in areas of Conservation	Enhancement of forest carbon stock
ERPA Goal	20%	15%	5%	20%

ERPA term year t	Reference level	Estimation of expected emissions under the ER Program	Estimation of expected Emission Reductions under the ER Program	Uncertainty buffer set-aside (4%)	Estimation of expected Emission Reductions under the ER Program net of uncertainty	Reversal Buffer set-aside (11%)	Estimation of expected Emission Reductions under the ER Program to be transferred
	(tCO <sub>2-e</sub> /yr)	(tCO <sub>2-e</sub> /yr)	(tCO <sub>2-e</sub> /yr)	(tCO <sub>2-e</sub> /yr)	(tCO <sub>2-e</sub> /yr)	(tCO <sub>2-e</sub> /yr)	(tCO <sub>2-e</sub> /yr)
2017	-1.471.499	-2.791.286	-1.319.787	52.791	-1.266.996	139.370	-1.127.626
2018	-1.471.499	-2.791.286	-1.319.787	52.791	-1.266.996	139.370	-1.127.626
2019	-1.471.499	-2.809.300	-1.337.801	53.512	-1.284.288	141.272	-1.143.017
2020	-1.471.499	-3.615.510	-2.144.011	85.760	-2.058.250	226.408	-1.831.843
2021	-1.471.499	-3.633.523	-2.162.024	86.481	-2.075.543	228.310	-1.847.233
2022	-1.471.499	-3.633.523	-2.162.024	86.481	-2.075.543	228.310	-1.847.233
2023	-1.471.499	-4.457.747	-2.986.248	119.450	-2.866.798	315.348	-2.551.450
2024	-1.471.499	-4.457.747	-2.986.248	119.450	-2.866.798	315.348	-2.551.450
2025	-1.471.499	-4.457.747	-2.986.248	119.450	-2.866.798	315.348	-2.551.450
<b>TOTAL</b>	-13.243.491	-32.647.668	-19.404.177	776.167	-18.628.009	2.049.081	<b>-16.578.928</b>

# Focus for Monitoring, Reporting and Verification

The MRV system will be methodologically consistent with the FREL/FRL, considering the same sinks and sources, to ensure comparability of the estimates between the historical reference period and the performance period.



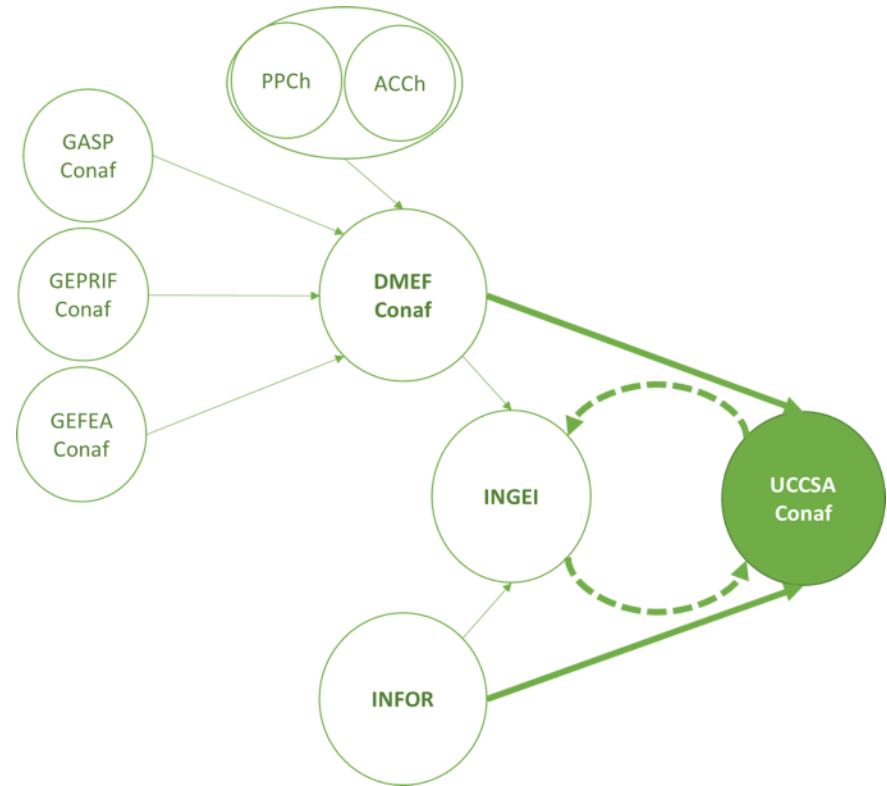
MRV events will measure the performance of REDD + activities in the years 2017, 2019, 2021, and 2023.



The corresponding reports will be created with one year of lag (2018, 2020, 2022 and 2024).



Monitoring milestones will be aligned with the BUR.



# Data Management and Registration System



The activities related to the ER Program make it necessary to analyze a series of technical and legal considerations that will allow to guide the requirements and steps to follow that must be incorporated into a pseudo-registration system operative prior to the construction of a National ER Registry and compatible with MRV for all sectors being developed by Ministry of Environmental.



To date, a preliminary design has been set up for which basic functions, scales, and other attributes have been defined.

Serial Number	Year	Type	Region	Activity	Nature
2018-ER-LR-MFS- 00001	2018	Emission reduction	Los Ríos	Sustainable Forest Management	Available for transaction
2018-AI-LA-EFC- 00001	2018	Absortion increased	La Araucanía	Enhancement of Forest Carbon Stock	Available for transaction
2018-ER-MA-DEG- 00001	2018	Emission reduction	Maule	Degradation	Available for transaction
2018-ER-BI-DEF- 00001	2018	Emission reduction	Biobio	Deforestation	Available for transaction
2018-AI-LL-FC- 00001	2018	Absortion increased	Los Lagos	Conservation	Available for transaction

# Safeguards

Process for the preservation of social and environmental safeguards of  
the National Strategy for Climate Change and Vegetation Resources

**Participatory  
Process**

**SESA**  
Strategic  
Environmental and  
Social Assessment

**ESMF**  
Environmental and  
Social  
Management  
Framework

**SIS - MRS**  
Safeguards  
Information System /  
Complaints, Claims  
and Suggestions  
Mechanism



# Transfer of Rights

The CONAF Prosecutor Office has conducted a judicial analysis referring to the attributions held by the Corporación in relation to the requirements of the FCPF Methodological Framework.

There is a legal and inter-institutional feasibility for Chile to generate an emission reductions program on both public and private lands.

In relation to activities which generate the reduction and capture of carbon, for example the reduction of deforestation and forest degradation, they are associated with activities which the Chilean judicial regulation classified as noncompliance and sanctioned them in the Law Decree 4.363 (1931) Law Decree 701 (1974), 20.283 (2008).

The activities which capture carbon, for example, afforestation, management, restoration requires the permission of proprietor or land representative for activity implementation, situation which translates into the rights for the intended carbon would suggest the celebration of a convention with the CONAF, in its role as REDD+ focal point as previously established.”



# Arrangements for Benefits Distribution

The Chilean ER Program has developed a Benefits Distribution System (SDB), which is based on the following basic principles:

- ✓ There will be monetary and non-monetary benefits that will be distributed in an equitable and transparent and adhering to the current regulatory framework.
- ✓ The SDB will use as channels for distribution, existing mechanisms and instruments. As well as channels proposed in the ER Program action measures.
- ✓ The distribution of monetary benefits associated with Result-based payments is conditional on the existence of a previous transfer of carbon rights.

# Benefits Distribution Arrangements *(example)*

Measure of Action	Type of Benefit		Distribution mechanism.	Does it require rights transfer?	Types of holding in which it applies
	Monetary	Non-monetary			
<b>MT.1. Forest Development, inclusion of elements of mitigation and adaptation to the CC New Law .</b>	X		Bonuses given to private owners who forest with native species destined for permanent coverage of the soils. These resources will cover between 75% and 90% of the planting cost, and will be delivered to the owner, once at least 75% of the plants is proved (tentative mechanism under evaluation). In addition, an annual payment for maintenance of the coverage is included, equivalent to 100 US per hectare forested (tentative mechanism, under evaluation). before receiving the bonus, owners who require, will have access to credits to cover the afforestation costs	YES	All individual private owners or co-owners.
<b>MT.2. Law 20.283 Modification and strengthening .</b>	X		Incentives given to private owners who manage native forests for productive or preservation purposes, by means of Management Plans that are under Forest Management Criteria. These resources will cover the silvicultural activities costs, with a 20 UTM per hectare (1,350 US / ha) cap. (Tentative mechanism, under evaluation)	YES	All individual private owners or co-owners.
<b>MT.3. Adjustments for the inclusion of owners with scarceLegal security of land tenure.</b>		X	Title regularization benefit to owners of ENCCRV prioritized communes, and who are willing to participate in the RE Program, through any of their direct mitigation measures.	NO	Small and medium size private owners or co-owners.

Emission Reduction Program for the  
FCPF Carbon Fund

# ERPD CHILE

- ✓ Chile is positioned at a critical moment, formulating its policies, politics, norms and institutionality (environmental and forestry, in order to confront development in a Climate Change environment).
- ✓ The ENCCRV proposed a paradigm shift in relation of the management of native resources, presenting ecosystem and sustainability as fundamental pillars.
- ✓ Proposes to improve from a wood production system based on exotic planted forests, to one directed by the management of native resources and consider Environmental Payment services.

# Thank you

ERPD Chile

ENVOR



TODOS  
POR  
CHILE