



Republic of Chile

Inclusive and Technically Sound INDC Development Process in Chile

Activity	Preparation of the Chilean Intended Nationally Determined Contribution (INDC), including a public consultation process and the creation of a broad analytical basis.
Country	Republic of Chile
Sector(s) involved	Electricity generation and transmission, transport, industry, mining, waste, agriculture and land use, land use change and forestry (LULUCF).
Time frame	2014 –2015

Case summary Chilean President Michelle Bachelet launched Chile's preparation process for its INDC at the UN Climate Summit in New York, in September 2014. The final INDC was officially submitted in September 2015¹ and contains an unconditional target of 30% reduction of GHG emissions-intensity of GDP compared to 2007 levels by 2030, complemented by a conditional target (35–45% reduction of GHG emissions-intensity of GDP compared to 2007 by 2030) and a separate forestry target.

Chile is considered a "first mover" as it was among the first developing countries to prepare and publish a draft version of the INDC. The INDC builds heavily on Chile's Mitigation Action Plans and Scenarios Project (MAPS), both in terms of data and with regard to inter-ministerial coordination processes. A public consultation process, that started in December 2014 and ended in April 2015, improved ownership and provided input from different stakeholders and the general public to the INDC. The process included the web publication of the INDC proposal with a web-based mechanism for receiving feedback as well as seven regional workshops and several presentations to targeted audiences.

The case highlights the importance of efforts to build public awareness and to design specific climate change policies that go beyond existing instruments.



Atacama Desert, Chile © Danielle Pereira

¹ re-submitted in October 2015

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Background

Before it launched its INDC preparation process in 2014, Chile had already taken important steps in addressing climate change. It was the first country to sell carbon credits through the Clean Development Mechanism (CDM) in 2002, and to register a Nationally Appropriate Mitigation Action (NAMA) in 2012. It was also among the first to be granted finance for the implementation of one of its NAMAs. In September 2014, Chile pioneered climate action in South America by introducing a carbon tax for fossil fuel sources (USD 5 per tonne of CO₂ for thermal power stations with a capacity larger than 50 MW). The measurement of emissions in these installations will start in 2017, and tax collection in 2018.

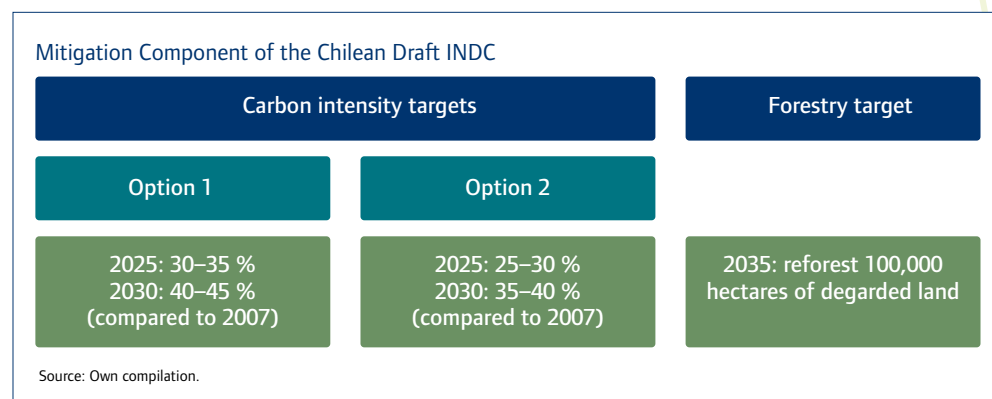
In 2008, and based on the National Strategy on Climate Change, Chile elaborated the Climate Action Plan 2008–2012. The document links public policy with climate change action in the country, with the objective of minimising the impacts of climate change through actions designed to reduce vulnerability and mitigate GHG emissions. A second version of the Climate Action Plan for the period 2016–2021 is currently being designed.

In 2010, Chile embarked on the Mitigation Action Plans and Scenarios Project (MAPS Chile Project), a participatory analysis of scenarios and options for climate change mitigation. The key outcomes of the project include quantitative scenarios and options for mitigating climate change in Chile for 2020, 2030 and 2050, as well as a detailed analysis of 96 potential sectoral mitigation actions. These results provided an important basis for the technical work on the INDC, ensuring that the process was based on robust, legitimate and pertinent information. MAPS also laid the groundwork for public participation in the INDC preparation, with 300 participants from NGOs, academia, the public and the private sector, guiding 100 researchers and consultants to build the mitigation scenarios (the MAPS Chile Project developed a visualisation tool that provided the general public with access to scenarios and mitigation options: visualizacion.mapschile.cl).

Parallel to national action, Chile is actively involved in international climate change negotiations. Being a member of the Organisation for Economic Co-operation and Development (OECD) and participating in the Independent Alliance of Latin American Countries (AILAC) and the Cartagena Dialogue for Progressive Action on Climate Change, Chile maintains close relationships with both developing and developed countries.

Against this background, and building on the international and regional political momentum that came along with the UN Climate Summit in New York and COP 20 in Lima, President Michelle Bachelet presented a first draft version of the INDC in late 2014, and confirmed Chile's commitment to present its final INDC at COP 21 in Paris.

Consistent with Chile's position in the international negotiations, the final INDC includes mitigation, adaptation, capacity-building, technology, and finance components. The mitigation component includes two parts for 2030 emission reduction targets that are both GDP intensity-based. Component a) consid-



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ers a 30% reduction of greenhouse gas (GHG) emissions-intensity of GDP compared to 2007 by 2030, whereas b) proposes a 35–45% reduction of GHG emissions-intensity of GDP compared to 2007 by 2030 conditional on international financial support in the form of grants. Neither option includes emissions from the use of solvents and other products (USOP) or emissions or removals from the forestry sector.

Instead, the INDC includes a specific forestry target for the sustainable management and recovery of 100,000 hectares of forest by 2030 and the afforestation of around 100,000 hectares by 2030.

Activities

- » **Presidential announcement:** In September 2014, President Michelle Bachelet officially announced the INDC preparation process on the occasion of the UN Climate Summit in New York.
- » **Preparation of a legal basis:** In October 2014, the Office of Climate Change set the legal fundament for the process by preparing a resolution and opening a file for the draft INDC.
- » **Installation of the INDC Committee:** Between October and November 2014, an inter-ministerial committee was established which built upon the representatives of the MAPS process (Ministries of International Affairs, Finance, Transport and Communications, Agriculture, Energy, Environment and Mining), also including the Ministry of Housing. All ministries provided opinions and background information relevant to their sectors. Decisions were taken by consensus within the Committee.
- » **Assessment of technical options:** In November 2014, the INDC Committee evaluated different technical options for the INDC, based on data from the MAPS Chile Project.
- » **Presentation of the draft INDC:** In December 2014, the Ministry of Environment presented a first draft version of the INDC in the form of a resolution.
- » **Public consultation process:** Between December 2014 and April 2015, the public consultation process was held which provided input from the non-governmental sector, a network of municipalities, and the private sector (Climate Leaders Group), amongst others. The public consultation process included a subnational dissemination process in which the draft INDC was presented to seven regional governments. The consultation process combined web-based communication and direct interactions via meetings and workshops. According to the Ministry of Environment, it served three purposes:
 - » To receive inputs, observations and proposals from all actors and sectors of society in order to improve the draft INDC. Some stakeholders like the Union of Power Generating Companies commissioned studies to analyse the draft INDC.
 - » To increase legitimacy of the final INDC to be presented to the UNFCCC.
 - » To improve public awareness of climate change through the involvement and commitment of all citizens.
- » **Analysis, reflection and response to comments:** More than 250 comments have been received and more questions on vulnerability and adaptation registered.
- » **Approval of the INDC:** The INDC Committee reviewed the draft INDC and provided a recommendation to President Bachelet, who made the final announcement.
- » **Official submission of the INDC to the UNFCCC:** September 2015.

Institutions involved

Ministry of Environment of Chile (Climate Change Office), Ministry of Foreign Affairs, Ministry of Energy, Ministry of Agriculture, Ministry of Mining, Ministry of Finance, Ministry of Transportation, Ministry of Housing.

Cooperation with

Mitigation Action Plans and Scenarios (MAPS) Programme (www.mapsprogramme.org) and MAPS Chile: implemented by the United Nations Development Programme (UNDP).

World Resources Institute (WRI): provided upfront information for Agriculture and LULUCF.

Low Emission Capacity Building (LECB) Programme implemented by the United Nations Development Programme (UNDP) on behalf of the European Commission, the German Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), the Australian Department of Climate Change and Energy Efficiency and AusAID: provided support in the assessments during the public consultations.

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Finance

The INDC preparation process was financed through public funds, complemented by funds from multiple donors, including the Children Investment Fund Foundation (CIFF), the Climate and Development Knowledge Network (CDKN), the Swiss Cooperation for Development (COSUDE), the Danish Ministry for Climate, Energy and Construction, World Resources Institute and the Low Emission Capacity Building (LECB) Programme implemented by the United Nations Development Programme (UNDP) in the framework of the International Climate Initiative (IKI) of the German Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB).

Impact of activities

- » **Raising awareness.** The preparation process of the INDC largely built upon the MAPS Chile Project and its public participation. On this basis, public consultation for the INDC involved a large group of stakeholders and other actors, and raised awareness with regard to the general public and also at the decision-making level.
- » **Strengthening the policy framework for climate change.** The INDC is considered a central component of the Chilean climate change policy framework. The INDC allows Chile to define objectives and goals to be achieved at different timescales. The implementation of these goals is ensured through the Climate Action Plan, which will be updated after the presentation of the final INDC. All NAMAs that have been formulated in Chile to date will be part of the package of mitigation actions needed to achieve the intensity target, and there will be work conducted at other levels as well, such as “Huella Chile” (Footprint Chile), a programme developed under the LECB Project to systematise carbon footprint information.
- » **Creating a broad analytical basis.** The public consultation process led to a careful review of over 250 comments and to close collaboration with various interest groups and sub-national governments. This process ensured the compilation of relevant and credible data for the INDC preparation process.
- » **Avoiding GHG emissions.** The Climate Action Tracker estimates that Chile’s INDC will result in emission levels of 161 MtCO_{2e} by 2030, respectively 127–147 MtCO_{2e} considering the conditional target (excl. emissions from LULUCF). The intensity target does not include emissions or removals from the forestry sector. Chile proposes to reach an area of at least 100,000 hectares of sustainably managed and recovered forest by 2030 with estimated emissions reductions of 0.6 MtCO_{2e} per year from 2030. The afforestation of 100,00 hectares is estimated to capture between 0.9–1.2 MtCO_{2e} per year from 2030.
- » **Co-benefits.** The most important co-benefits of the mitigation component of Chile’s INDC include enhancement of air quality through the improvement of energy efficiency and the introduction of fuel consumption standards, as well as the promotion of afforestation plans in South Central Chile. Chile’s INDC also includes an adaptation component related to the development and improvement of strategic planning instruments. The country is also contemplating improving capacity building, technology and finance, e.g. through South-South-North cooperation and enhancement of public expenditure for climate change.

Why is it good practice

The **preparation process** of the Chilean INDC is considered good practice for a number of reasons.

- » As an **early mover** Chile set an important stimulus and provided an example of what a commitment from a developing country could look like in preparation of the Paris Agreement in 2015.
- » By providing early information on options to both the Chilean general public and to the international community (through public consultation and presentations at the international negotiations), Chile practised **transparency**, which is a key principle of the international policy process.
- » During the INDC preparation process itself, Chile substantially built upon **available information** and established structures of the MAPS Chile Project, which facilitated the compilation of initial data for the INDC.

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- » In addition, Chile demonstrated the **relevance of public participation** by conducting a broad consultation process, which is expected to lead to a more sound and ambitious final INDC and to improved ownership in order to preserve the INDC against potential future changes made by the government.
- » Finally, the Chilean process can be considered good practice because of its **replicability**. Countries can replicate the public consultation process by combining the online publication of its INDC with a series of meetings and workshops targeting different constituencies at the national and sub-national level.

Success factors

Success factors of Chile's INDC include:

- » A **high level political mandate** (in this case at the presidential level), which sent a strong signal to the national and international community and established a clear roadmap for action.
- » Building upon an **excellent analytical basis** provided by the outcomes of the MAPS Chile Project, which has been widely acknowledged as a relevant, legitimate and credible process that produces valuable information for decisionmaking.
- » **Understanding of the issues beyond the Ministry of Environment**, with key Ministries such as the Ministries of Foreign Affairs, Energy and Agriculture acting as champions for the INDC and coordinating between them.
- » **Openness to feedback**, shown within the process of public consultation that strengthened the draft INDC and increased ownership.
- » **International exposure**, which allowed Chile to attract interest in cooperation at the international level and to become influential towards an international agreement.

Overcoming barriers/ challenges

Capacity & Awareness

What were the main barriers/challenges to delivery?
How were these barriers/challenges overcome?

Low awareness and capacity for climate policymaking and implementation

Several nationally and internationally financed and technically supported projects (including some for education and public awareness raising) have helped to widen the knowledge base and to increase the critical mass of decision makers that are aware and capable of climate change management.

It is difficult for policy actions to go beyond mainstreaming climate change into existing instruments towards transformational climate-specific policies.

The Ministry of Environment is promoting an "active" climate change policy, aiming at designing policies specifically for climate change management. The INDC and the Climate Action Plan will be at the centre of this policy. Increased public awareness is also expected to help active climate policy making.

Chile is currently facing a complex economic situation and GDP projections have been adjusted downwards. This might create opposition to environmental measures.

Through an intensity target Chile hopes to increase acceptance of stakeholders by alleviating fears of an expected decrease in GDP growth due to a more strict environmental policy. In this way, the government balances climate action with economic caution. Besides, the country has formulated a forestry target as a way to increase ambition at low cost.

Lessons learned

- » **Increase awareness and capacity** at the outset of the process. Involve the media and use all effective communication tools available and appropriate to the country's circumstances to increase the relevance of the issue. Show climate change as the multi-dimensional challenge that it is.
- » **Secure a high level mandate** to ensure legitimacy of the process.
- » **Envisage a coherent policy framework** and highlight the role the INDC plays within that framework. This will ensure synergies and complementarity between climate change related initiatives, and avoid duplication of efforts.
- » **Develop a sound information basis** by using available data and by bringing the most knowledgeable and influential people to the table during research.

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- » Act locally and globally to ensure coherence between domestic and foreign policies on climate change, to positively influence the international negotiations, and to fully understand the implications of different outcomes at the international level.
- » Present simple, clear information for decision making through a draft INDC that complies with both international standards to enable comparability of efforts, and with national needs, concerns and interests. At the national level, it is important to present not only numbers, but also an explanation of mitigation measures and their impact in a credible and structured way.
- » Enable participation at all levels, e.g. through a public consultation process or an appropriate alternative. Ensure that there are clear mechanisms and channels for policy makers and policy receptors to interact.

How to replicate this practice

- » Besides the success factors described above, other countries wanting to replicate this practice might invest more energy into education and public awareness at the outset of the process and also increase the visibility of the process, e.g. by involving the media more actively.

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- » portal.mma.gob.cl/consultacontribucion
- » www.mapschile.cl
- » www.mapsprogramme.org/projects/chile-projects/maps-chile-overview
- » lowemissiondevelopment.org/lecbp/countries/chile

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