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## Record of the facilitative sharing of views at the fifty-first session of the Subsidiary Body for Implementation: Chile

Note by the secretariat

### Abbreviations and acronyms

BUR	biennial update report
COP	Conference of the Parties
FSV	facilitative sharing of views
GDP	gross domestic product
GHG	greenhouse gas
ICA	international consultation and analysis
IPPU	industrial processes and product use
LULUCF	land use, land-use change and forestry
NAMA	nationally appropriate mitigation action
NDC	nationally determined contribution
non-Annex I Party	Party not included in Annex I to the Convention
REDD+	reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks (decision 1/CP.16, para. 70)
SBI	Subsidiary Body for Implementation

### I. Background and mandate

1. COP 16 decided to conduct, under the SBI, ICA of BURs from non-Annex I Parties, in a manner that is non-intrusive, non-punitive and respectful of national sovereignty, with the aim of increasing the transparency of the mitigation actions and their effects reported by those Parties.<sup>1</sup>

2. COP 17 adopted<sup>2</sup> the ICA modalities and guidelines,<sup>3</sup> according to which the ICA process consists of two steps: technical analysis of non-Annex I Parties' BURs by teams of technical experts, resulting in a summary report for each Party; and FSV, to which the BURs and summary reports serve as input.<sup>4</sup>

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<sup>1</sup> Decision 1/CP.16, para. 63.

<sup>2</sup> Decision 2/CP.17, para. 56.

<sup>3</sup> Decision 2/CP.17, annex IV.

<sup>4</sup> Decision 2/CP.17, annex IV, para. 3.

3. Pursuant to the ICA modalities and guidelines, the SBI convened, on 9 December 2019 in Madrid at SBI 51, the eighth FSV workshop, open to all Parties, for the five non-Annex I Parties, including Chile, for which there was a BUR and final summary report by 30 September 2019.<sup>5</sup> Interested Parties were able to submit written questions in advance through the secretariat. Chile received 14 written questions in advance from Canada, the European Union, Germany, New Zealand and the United States of America and addressed them in the course of its presentation.
4. The workshop, chaired by the SBI Chair, Emmanuel Dumisani Dlamini, and Vice-Chair, Naser Moghaddasi, comprised one three-hour and one one-hour session and covered the five Parties in alphabetical order.
5. This FSV record for Chile summarizes the proceedings and, together with the summary report on the technical analysis of its third BUR,<sup>6</sup> constitutes the outcome of the third round of ICA for the Party.

## II. Summary of proceedings

6. Chile made a brief presentation on its third BUR, including the technical annex with information on REDD+ that was submitted on a voluntary basis by the Party in conjunction with its third BUR in accordance with decision 14/CP.19. The presentation was followed by a question and answer session.
7. Chile was represented by Jenny Mager from the Climate Change Division of the Ministry of Environment.
8. In its presentation, Chile provided an overview of its national circumstances and institutional arrangements, national inventory of anthropogenic emissions by sources and removals by sinks of all GHGs not controlled by the Montreal Protocol, mitigation actions and their effects, and support needed and received.
9. Chile presented its NAMA pledge to reduce emissions by 20 per cent below the 'business as usual' scenario projected from the 2007 level by 2020. The Party also presented its NDC targets for 2030, which include an unconditional commitment to reduce GHG emissions without LULUCF per GDP unit by 30 per cent below the 2007 level and the reforestation of 100,000 ha forest, as well as an additional commitment to reduce GHG emissions without LULUCF per GDP unit by up to 45 per cent, if appropriate international funding is made available. Chile has also set a long-term goal to be carbon neutral by 2050.
10. Chile highlighted that its total GHG emissions in 2016 were 111,676.7 Gg carbon dioxide equivalent excluding forestry and other land use, representing increases of 115 per cent since 1990 and 7 per cent since 2013. The main GHGs emitted were carbon dioxide (79 per cent), followed by methane (12 per cent), nitrous oxide (6 per cent) and fluorinated gases (3 per cent). The main drivers were the increased use of coal for power generation and liquid fuels in road transportation, in particular for heavy-duty vehicles and buses. Chile explained that the energy sector is its main emitting sector and accounts for 78 per cent of the total emissions (excluding LULUCF), followed by the agriculture, IPPU and waste sectors.
11. Chile presented key policies and measures for achieving its target, including sectoral policies such as the National Energy Policy 2050, Energy Route 2018–2022 and National Electromobility Strategy; NAMAs registered in the transport, energy, forestry, waste and agriculture sectors; mitigation actions in the private sector, such as the Footprint Chile programme; and carbon pricing instruments and mechanisms, such as the clean development mechanism, carbon tax, and social cost of carbon. Chile explained that, in 2014, it passed the Tax Reform Act, introducing the first green taxes in the country. The taxes apply to the initial sale of light vehicles, on the basis of their urban performance and emissions of nitrogen oxides; stationary sources; and emissions of sulfur dioxide, nitrogen oxides and local pollutants. They are expected to have significant indirect co-benefits in terms of GHG

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<sup>5</sup> The BURs and the summary reports are available at <https://unfccc.int/BURS> and <https://unfccc.int/fr/node/200113>, respectively.

<sup>6</sup> FCCC/SBI/ICA/2019/TASR.3/CHL.

reduction. The Party has also introduced a direct tax to energy companies on carbon dioxide emissions of USD 5/t. In addition, Chile provided information on activities related to REDD+.

12. Furthermore, Chile provided information on support received and needed, and capacity-building needs. Financial support received during the reporting period (2016–2018) amounted to USD 40,327,701, with 72 per cent coming from multilateral institutions and 28 per cent from bilateral agreements. The funds were allocated to cross-cutting areas (48 per cent), adaptation (42 per cent) and mitigation (20 per cent) and include funding of initiatives to support capacity-building. Chile explained that its main needs are in the area of institutional arrangements for strengthening the long-term planning and implementation of climate action in line with its NDC commitments. The Party also identified capacity-building needs to establish specialized teams in public agencies and at subnational level to collect and track information related to mitigation and adaptation strategies and update the country's technological needs in line with sectoral agendas and its climate finance strategy.

13. Following the presentation, the following Parties made interventions commending Chile on its efforts and asked questions seeking further clarification: European Union, Germany, India, Indonesia, Japan, Jordan, Malaysia and Switzerland. The questions were related to: a) the main changes required to institutional arrangements for implementing the transparency framework and main capacity-building needs within ministries and institutions; b) the country's experience of developing an enhanced MRV system, including implementing appropriate arrangements; c) challenges faced in preparing the national inventory report, recalculations for specific sectors (IPPU, agriculture and LULUCF) and uncertainty analysis; and d) experience and lessons learned from implementing carbon taxes.

14. In its responses to the questions, Chile confirmed that it will continue using the current arrangements for reporting under the Convention for reporting under the transparency framework; the Party also mentioned that the main capacity-building needs in the various ministries are related to guidelines and enhancing technical knowledge in the areas of mitigation, adaptation and finance. Regarding GHG inventory, Chile highlighted that there was significant work involved in preparing the GHG inventory report and engaging with various stakeholders. The Party is aiming to make its next GHG inventory available before 2024, and therefore also intending to present its first biennial transparency report before then. Ensuring that the appropriate arrangements for preparing the inventory are in place is a high priority for Chile, as the inventory will form the foundation for any adjustment of the relevant national policies. Chile also explained that there has been close coordination with REDD+ and agriculture, forestry and other land use experts to enhance capacities in those sectors. In terms of its carbon tax, Chile highlighted that it was designed to focus on the main emissions source, namely electricity generation. It is currently working to modify the tax so that it focuses on the emissions themselves rather than solely on emissions sources

15. The presentation and subsequent interventions are accessible via the web broadcast of the workshop.<sup>7</sup>

16. In closing the workshop, the SBI Vice-Chair congratulated Chile for successfully undergoing FSV and completing the third round of its ICA process. He thanked Chile and all other participating Parties for engaging in the workshop in a facilitative manner. He also thanked the secretariat for its support.

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<sup>7</sup> Available at <https://unfccc-cop25.streamworld.de/webcast/facilitative-sharing-of-views>.