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

Note by the secretariat

Abbreviations and acronyms

BUR	biennial update report
CO ₂	carbon dioxide
CO ₂ eq	carbon dioxide equivalent
COP	Conference of the Parties
ETF	enhanced transparency framework under the Paris Agreement
FSV	facilitative sharing of views
GHG	greenhouse gas
ICA	international consultation and analysis
LULUCF	land use, land-use change and forestry
MRV	measurement, reporting and verification
NA	not applicable
NAMA	nationally appropriate mitigation action
NDC	nationally determined contribution
non-Annex I Party	Party not included in Annex I to the Convention
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.¹
2. COP 17 adopted the ICA modalities and guidelines,² 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.³

¹ Decision 1/CP.16, para. 63.

² Decision 2/CP.17, annex IV.

³ Decision 2/CP.17, annex IV, para. 3.

3. Pursuant to the ICA modalities and guidelines, the SBI convened on 7 and 8 June 2022 in Bonn at SBI 56 the twelfth FSV workshop, open to all Parties, for the following nine non-Annex I Parties for which there was a BUR and final summary report⁴ by 21 March 2022: Chile, Cuba, Egypt, Malaysia, Namibia, Panama, Singapore, Thailand and Zambia.
4. The workshop, chaired by the SBI Vice-Chair, Juan Carlos Monterrey Gomez, comprised two two-hour sessions and one 90-minute session.
5. As one of the participating Parties, Chile received 10 written questions in advance of the FSV workshop⁵ from European Union, Mexico, New Zealand, Switzerland and United States of America. This FSV record for Chile summarizes the proceedings and, together with the summary report on the technical analysis of its fourth BUR,⁶ constitutes the outcome of the fourth round of ICA for the Party.

II. Summary of proceedings

6. On 7 June 2022 Chile made a brief presentation on its fourth BUR. The presentation was followed by a question and answer session.
7. Chile was represented by Gladys Santis from the Ministry of Environment of Chile.
8. Chile presented 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 also presented its NAMA pledge to reduce emissions by 20 per cent below the 2007 level by 2020. Chile clarified that it expects to meet its NAMA pledge. The Party further presented its NDC target for 2030 submitted in April 2020, which includes a commitment of keeping a GHG emissions budget not exceeding 1,100 Mt CO₂ eq between 2020 and 2030, with emissions peaking by 2025 and an emissions level of 95 Mt CO₂ eq by 2030. The Party has also set a long-term goal to be carbon neutral by 2050 under its Long-Term Climate Strategy. Chile presented information on its areas for improvement for future BURs and its current initiatives for enhancing its institutional arrangements for compliance with requirements under the ETF. The initiatives relate to enhancing the capacity of relevant ministries and institutions at the sectoral and regional level to enable the MRV of the actions identified in the Long-Term Climate Strategy under the new institutional framework defined by the Climate Change Framework Law, and the further strengthening and development of the MRV system, the national GHG inventory system and the national forecasting system, which will be the basis for meeting the ETF requirements in the country.
10. Chile highlighted that its total GHG emissions in 2018 were 112,312.62 kt CO₂ eq and they increased between 1990 and 2018 by 128.2 per cent without emissions and removals from LULUCF and by 541.6 per cent with emissions and removals from LULUCF, owing mainly to the energy sector. The Party explained that the main driver of the emission trend was a sustained increase in energy consumption in the country, including coal and natural gas for electricity generation and liquid fuels (mostly diesel oil and gasoline) for road transportation. In 2017, emissions from forest fires resulted in a substantial reduction in net removals from the LULUCF sector, which altered the overall balance of emissions and removals trends.
11. Chile presented key policies and measures for achieving its target, including sectoral policies, such as the National Energy Policy 2050 (renewable energy contributed 49 per cent of the national installed capacity for power generation in 2019), the National Green Hydrogen Strategy, the National Electromobility Strategy adopted in 2017 (780 electric buses and 1,457 high-efficiency buses in 2022), the National Strategy on Climate Change and Plant Resources, the Sustainable Land Management Project, the National REDD+ Strategy, the

⁴ The BURs and summary reports for each ICA cycle are available at <https://unfccc.int/BURs> and <https://unfccc.int/ICA-reports>, respectively.

⁵ As per decision 2/CP.17, annex IV, para. 6.

⁶ FCCC/SBI/ICA/2021/TASR.4/CHL.

Circular Economy Roadmap and the National Organic Waste Strategy; mitigation actions at the regional and local level and private–public actions, such as clean production agreements leading to a total reduction in emissions of 1,466 Mt CO₂ eq and the HuellaChile Carbon Management Programme. Chile explained that the green tax under the Tax Reform Act of 2014, an economic instrument for reducing emissions, raised USD 185.6 million in 2019 and achieved a 1.4 and 28 per cent reduction in emissions of CO₂ and particulate matter respectively. In addition, the Party provided information on its clean development mechanism project activities (110 registered projects and 9 projects under validation).

12. Furthermore, Chile provided information on support received and needed, and capacity-building needs. Financial support received during the reporting period (2018–2020) amounted to USD 34.2 million from donor countries and multilateral financial institutions for activities relating to the national climate change agenda and USD 17.8 million for capacity-building and technical support mainly from donor countries, donor funds and international institutions. In addition, Chile indicated that it received USD 15.8 million in this period as support for financing policies, programmes and projects and USD 225,000 as support for technology transfer. Chile explained that its main needs pertain to establishing a permanent reporting system with dedicated budget support; strengthening the MRV and forecasting systems and improving sectoral capacities, including maintaining technical capacities; strengthening the intersectoral cooperation between data providers; speeding up actions in line with the NDC mitigation goal; financing for implementing adaptation measures contained in sectoral plans; improving early risk management and risk assessment, including evaluation of loss and damage; and enlarging the climate negotiation team, including financing and technical support.

13. Following the presentation, the following Parties made interventions commending Chile on its efforts and asked questions seeking further clarification: Australia, China, European Union, Germany, India, Sweden and United Kingdom of Great Britain and Northern Ireland.

14. Questions on the mitigation actions and their effect related to the mitigation measures to effectively reduce emissions from road transportation; the green tax and how it resulted in reductions of CO₂ and particulate emissions; measures or initiatives included in the National Green Hydrogen Strategy; and specific good practices for sustainable forest management under the National Strategy on Climate Change and Plant Resources.

15. In response, Chile explained that under the Climate Change Framework Law, it is mandatory to develop mitigation and adaptation plans for all sectors, and therefore, new measures for the transport sector will be identified in a mitigation plan for transport under this new law. The green tax addresses CO₂ emissions from stationary sources such as boilers and turbines of 50 MW heat power or more installed capacity and taxes local pollutants (nitrogen oxides, sulfur dioxide and particulate matter) from boiler and turbines and first sale of cars (applied only once). In addition, the National Green Hydrogen Strategy is focusing on the transport sector, considered a very important part of the strategy. At the same time the private sector is starting some initiatives under the strategy, especially in mining activities. The Party further explained that good practices for forest management include the National REDD+ Strategy, which addresses mitigation, adaptation and disaster risk reduction in forests and is being continuously improved by the national institution dealing with forest fires, in particular in addressing forest fires.

16. Other questions related to specific targets for 2030 and 2050 under the Climate Change Framework Law and a mechanism for corrective actions ensuring that targets can be kept within reach; and lessons learned about the process of public consultation on the NDC. In response, Chile explained that the Climate Change Framework Law defines the target of carbon neutrality for 2050 but does not provide a path for this goal; the regulatory procedure needed to implement this framework is under preparation and is expected to be ready in a year's time. In addition, early consultations and a specific national process of consultation were held in parallel with the preparation of the Climate Change Framework Law, and allowed for the collection of information from regional and local governments. The Party also indicated that the consultation was an enriching process, which led to many aspects of the NDC being improved.

17. The presentation and subsequent interventions are accessible via the webcast of the workshop.⁷

18. In closing the workshop, the SBI Vice-Chair congratulated Chile for successfully undergoing FSV and completing the fourth 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.

⁷ Available at <https://unfccc.int/event/12th-workshop-for-the-facilitative-sharing-of-views/part-2>.