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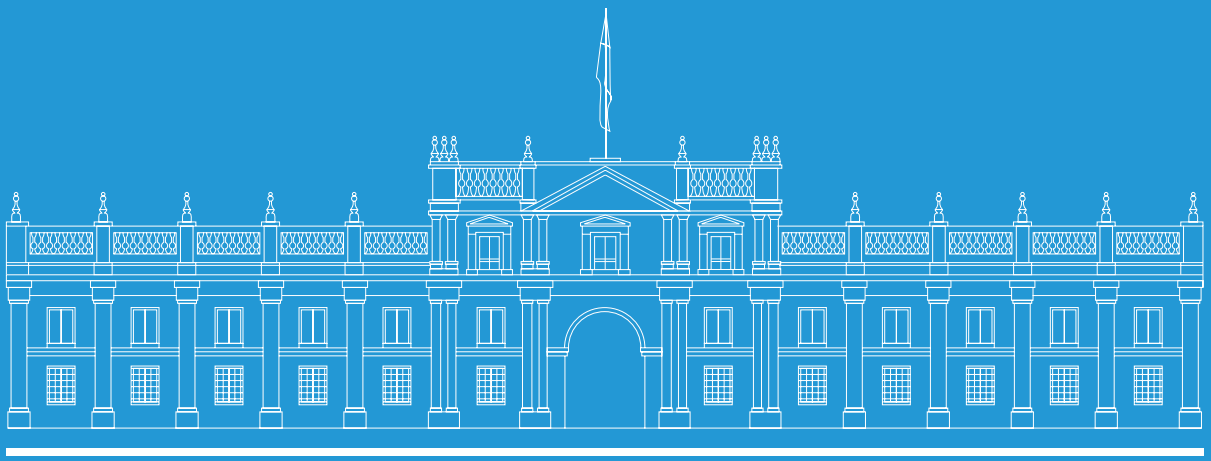
INTENDED NATIONALLY DETERMINED CONTRIBUTION OF CHILE TOWARDS THE CLIMATE AGREEMENT OF PARIS 2015



INTENDED NATIONALLY DETERMINED CONTRIBUTION OF CHILE TOWARDS THE CLIMATE AGREEMENT OF PARIS 2015

The Committee of Ministers for Sustainability and Climate Change agreed, in its session on 29 September 2015, to support the content of this National Contribution to the 2015 Paris Climate Agreement.

Chile´s National Contribution was presented for publishing to the United Nations Framework Convention on Climate Change on 29 September 2015.

Santiago, Chile. September 2015.

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"Climate change deepens inequalities and multiplies threats. It is our obligation to address this problem before its consequences become irreversible. Future generations will judge us not only for the growth of our economy and its social impacts, but also for our capacity to face the climate change challenge"

Michelle Bachelet, President of Chile.

PROLOGUE

Chile has positioned itself in the international arena as a country that seeks to support strong climate action. We are convinced that strong and consistent signals must be provided in order to secure the necessary agreements to address the challenge of climate change.

Achieving this position meant taking leadership as a country to facilitate – and pioneer – the operation of international carbon markets. In recent years this has been confirmed through the generation of a portfolio of Nationally Appropriate Mitigation Actions (NAMAs), an unprecedented carbon tax that will take effect in 2017, the recently updated Biennial Report presented at the COP20, and the national and sector specific adaptation plans approved by the Chilean Government´s Committee of Ministers for Sustainability and Climate Change.

In this context, Chile faced the challenge of preparing a robust and coherent Intended Nationally Determined Contribution (INDC) that would consider a comprehensive approach to address the various facets of climate change affecting the country.

Chile´s INDC is built on three key areas: "Resilience to climate change", including the pillars of Adaptation and Capacity Building; "Control of greenhouse gas emissions", comprising the Mitigation pillar; and "cross-support for climate action", including technology transfer and development pillars as well as climate finance.

Chile undertook the process of preparing its INDC as an opportunity to systematically work on climate management from an inter-ministerial public policy approach. The INDC draft was first prepared by experts from a group of ministries and then submitted to a four month formal public consultation process. Chile´s final INDC was ratified by the Committee of Ministers for Sustainability and Change Climate. This process demonstrates the true vocation of the Chilean government to work in coordination to address the climate challenge.

Through its INDC, Chile wants to materialize a formal expression of interest not only by contributing to mitigation and adaptation, but also by highlighting contributions in other areas of the international climate management agenda.

In particular, we are collaborating in the development of South-South joint actions to support the building and strengthening of climate capacities for coordinated action by the Convention. We are preparing strategies related to climate technology transfer along with national climate finance.

Through the development of these important tools in the coming years and the adoption a long-term approach, we will be better prepared to systematically address the challenges posed by climate change to countries around the world.

1 NATIONAL CONTEXT

Fotografía: Iván Null

Chile is highly vulnerable to the impacts of Climate Change. The country's low coastline, the snow and glacier regime of its rivers, the forests which Chile is trying to protect and restock, its ocean waters -which supply the fishing industry, a key resource for the country- are all encompassed within the 9 criteria set forth by Article 4 of the United Nations Framework Convention on Climate Change (UNFCCC).

Along the same lines, the 5th Report of the Intergovernmental Panel on Climate Change[1] highlights the severe impacts faced by the country's resources and ecosystems, particularly by its fishing, aquaculture, forestry, livestock and farming sectors, water resources, and biodiversity, , as well as its temperature and rainfall levels. These vulnerabilities and impacts have also been documented in the national communications[2] to the UNFCCC Secretariat and are being duly incorporated to the National Climate Change Action Plan[3].

In addition, Chile suffers from other non-environmental vulnerabilities. In the last decade, mining has averaged 57% of total national exports, with copper accounting for almost all of them. This shows that Chilean exports are strongly concentrated on primary goods, whose prices, being commodities, are highly dependent on the fluctuations of international markets.

Chile's vulnerability is also heightened by its technological needs, including those required to mitigate and adapt to Climate Change, as a result of a still partial absorption of technology transfer and the low incentives to Research and Development. Furthermore, the current average cost of electricity for Chileans is one of the highest among OECD countries.

On the other hand, our economy is still at the mercy of the international market, given its high level of economic integration, both in commercial and financial terms, which exposes it to external turmoil. Despite all of the above, the soundness of public funding and the financial standing of the Government, as well as the credibility

1 IPCC, 2014. CLIMATE CHANGE 2014: Impacts, adaptation and vulnerability. Part B: Regional aspects. Contribution of Work Group II to the Fifth Assessment Report of the IPCC http://www.ipcc.ch/pdf/assessment-report/ar5/wg2/WGIIAR5-PartB_FINAL.pdf

2 Ministry of Environmental Affairs. (2000) and (2011). First and Second National Communication of Chile before the United Nations Framework Convention on Climate Change. Santiago. http://portal.mma.gob.cl/cc-08-2-comunicaciones-nacionales/

3 Plan de Acción Nacional de Cambio Climático 2008-2012 (PANCC). http://portal.mma.gob.cl/plan-de-accion-nacional-de-cambio-climatico-2008-2012-pancc/

attained by the country during the years of application of economic policy based on the Structural Balance Rule, has allowed Chile to stay on the road of sustained growth.

Despite Chile's progress in the 90s in providing coverage in services such as health and education, improving the quality of such services remains an issue. In this regard, reducing the high levels of inequality in the Chilean economy as well as providing security to vulnerable groups with little social protection are still pending tasks. These are important challenges for Chile, which is trying to look to the future and make progress, searching for climate resilient low-carbon growth opportunities that will allow it to increase economic growth and the welfare of its population increasing less its greenhouse gas emissions.

Along these lines, Chile has made major efforts to fight Climate Change. These include the incentive to Non-conventional Renewable Energies (NCRE), which, pursuant to Law 20.698, requires that, by 2025, 20% of the energy under supply contracts subject to said law be generated from non-conventional renewable energies.

The energy agenda run by the current administration considers the active involvement of all sectors of society, including the private sector and the civil community, and seeks to transition to a cleaner matrix and raise the barriers faced by NCRE in the country. The goal is for 45% of all the electric generation capacity installed in the country between 2014 and 2025 to be generated from this type of sources. In 2014, the installed capacities of non-conventional renewable energies doubled with respect to 2013, and the recent tenders called for electricity supply awarded to this type of technology proves that this sector will continue to expand, driven by the investments made by the private sector.

Chile has also pioneered the use of greenhouse gas mitigation tools, by including the first tax over CO_2 emissions from fixed sources in a tax reform passed in 2014, thus contributing to counteract environmental external factors. Specifically, the country introduces a tax both on global contaminant emissions (CO_2) and local contaminant emissions (SOx, NOx, PM).

In the case of global contaminants, a US$5 tax is set per ton of CO_2. In addition, a tax on new cars was imposed, based on urban performance and NOx emissions. All this is encompassed under Law 20.780, which since its enactment on December 28, 2014 has resulted in a reduction of inefficient and contaminating cars in the last year.

The social consequences of Climate Change are crucial for establishing goals to face this phenomenon, and require a joint effort by the Government, the private sector and civil society. Environmental degradation, and climate change in particular, takes its deepest toll on the most vulnerable sectors of the population and is, thus, a factor which enhances social inequality. Therefore, it is important to adopt perspectives which allow to counteract such effects, including the protection and promotion of all the human rights potentially undermined by this phenomenon.

According to the International Energy Agency, the average global per capita CO_2 emissions had reached 4.5 tons per person by 2012. Chile was very close to this global average, and was well below the 9.7 tCO_2 per capita average of OECD countries. With respect to Latin America, in 2012 Chile was responsible for 4.7% of the region's emissions, below Mexico, Brazil, Argentina and Venezuela. Globally, its contribution was about 0.25% of global emissions.

Chile's intended contribution to the UNFCCC objective is based on the country's current situation and is based on five basic pillars: i. Mitigation, ii. Adaptation, iii. Capacity Building and Strengthening, iv. Technology Development and Transfer, and v. Financing.

2 MITIGATION

Fotografía: MMA

2.1 Context

Chile's Intended Nationally Determined Contribution (INDC) on mitigation is committed to a quantified reduction of the intensity indicator of greenhouse gas emissions (GHG) for 2030.

This reduction is based on the sectorial analyses and the mitigation scenarios developed with MAPS Chile (Phase 2)[4], the results of the National Greenhouse Gas Inventory (1990-2010)[5], and additional information provided by the Ministries of Environment, Energy, Agriculture and Finance, as well as the observations received during the Public Consultation of the Intended National Contribution[6].

Chile hopes to reduce its greenhouse gas emissions while decreasing poverty and inequality as well as continue advancing toward sustainable, competitive, inclusive and low-carbon development. To confront these challenges successfully, the country should direct all its domestic efforts and international alliances to decoupling economic growth from greenhouse gas emissions.

The priority sectors for mitigation in Chile are those identified in the National Greenhouse Gas Inventory (1990-2010), namely:

- Energy, which includes the generation and transport of elec tricity, transportation, industry, mining, housing, among other fossil fuel consuming sectors
- Industrial processes
- Use of solvents and other products
- Agriculture, including the livestock sector
- Use of the land, change of use of the land and forestry (LULUCF)
- Waste

4 www.mapschile.cl. The measures analyzed by the MAPS Chile Project do not necessarily represent the mitigation strategy chosen by the Government of this country.

5 http://portal.mma.gob.cl/primer-informe-bienal-de-actualizacion-de-chile/

6 http://portal.mma.gob.cl/consultacontribucion/

2.2. Intended Nationally Determined Contribution to Mitigation

Chile has chosen to report its contribution in the form of emissions intensity (tons of CO_2 equivalent per Gross Domestic Product (GDP) in million CLP$2011). In terms of methodology, it was decided to separate the LULUCF sector from the national mitigation commitment, due to the high annual variability of the sector's sequestrations and emissions, and because it is less dependent on the path of economic growth.

Along these lines, two types of commitments were defined:

- A carbon intensity target, expressed in greenhouse gas emissions per GDP unit, which includes all the sectors quantified in the National Greenhouse Gas Inventory (1990-2010), except for the LULUCF sector.
- A target expressed in CO_2eq tons from the LULUCF sector.

Carbon intensity target, not including the LULUCF sector:

a) Chile is committed to reduce its CO_2 emissions per GDP unit by 30% below their 2007 levels by 2030, considering a future economic growth which allows to implement adequate measures to reach this commitment[7].

b) In addition, and subject to the grant of international monetary funds[8], the country is committed to reduce its CO_2 emission per GDP unit by 2030 until it reaches a 35% to 45% reduction with respect to the 2007 levels, considering, in turn, a future economic growth which allows to implement adequate measures to achieve this commitment.

Specific contributions to the LULUCF sector:

a) Chile has committed to the sustainable development and recovery of 100,000 hectares of forest land, mainly native, which will account for greenhouse gas sequestrations and reductions of an annual equivalent of around 600,000 of CO_2 as of 2030. This commitment is subject to the approval of the Native Forest Recovery and Forestry Promotion Law.

7 This commitment assumes a growth rate for the economy similar to the growth path the country has experienced in the last decade, except for the most critical years of the international financial crisis (2008-2009).

8 This commitment assumes a growth rate for the economy similar to the growth path the country has experienced in the last decade, except for the most critical years of the international financial crisis (2008-2009). In addition, for the purposes of this commitment, an international monetary grant shall be deemed any grants which allow to implement actions having direct effects on greenhouse gas emissions within adequate time frames.

b) Chile has agreed to reforest 100,000 hectares, mostly with native species, which shall represent sequestrations of about 900,000 and 1,200,000 annual equivalent tons of CO_2 as of 2030. This commitment is conditioned to the extension of Decree Law 701 and the approval of a new Forestry Promotion Law.

2.3. Information Reported to the Secretariat of the UNFCCC for Understanding and Transparency

Carbon intensity target, not including the LULUCF sector:

2.3.1. **Base year:** 2007

2.3.2. **Target year:** 2030

2.3.3. **Carbon intensity per GDP in base year 2007:** 1.02 tCO_2e/million CLP$ 2011

2.3.4. **Carbon intensity per GDP. Target year 2030:** 0.71 tCO_2e/million CLP$ 2011 (subject to economic growth)

2.3.5. **Carbon intensity per GDP. Target year 2030:** 0.56-0.66 tCO_2e/million CLP$ 2011 (subject to international monetary grants and economic growth).

2.3.6. **Gases considered for the target:** those listed in the National Greenhouse Gas Inventory (1990-2010); that is, carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbon (HFC) and perfluorocarbon (PFC).

2.3.7. **Geographic coverage for quantifying emissions:** National Greenhouse Gas Inventory (1990-2010); that is, the entire country (continental, island and Antarctic territories).

2.3.8. **Methodology for quantifying emissions:** 2006 IPCC Guidelines for National Greenhouse Gas Inventories (GL2006)

2.3.9. **Global warming potential used in the transformation of non-CO_2 gases in CO_2 equivalent (CO_2eq):** those used in the National Greenhouse Gas Inventory (1990-2010). These are 1 for CO_2, 21 for CH_4, 310 for N_2O, and they are consistent with the values of the Fourth IPCC Report (AR4)[9] for a 100 year time horizon.

2.3.10. **Sectors of the national greenhouse gas inventory included in the carbon intensity target:** energy, industrial processes, use of solvents and other products, agriculture and waste. It does not include the LULUCF sector.

9 https://www.ipcc-wg1.unibe.ch/publications/wg1-ar4/ar4-wg1-chapter2.pdf

Table 1: Chile's National Greenhouse Gas Inventory: Emissions and absorptions of GHG (Gg CO2eq) by sector for 2010[10]

Sector	2010
1. Energy	68.410,0
2. PI	5.543,2
3. UDOP	243,0
4. Agriculture	13.825,6
5. LULUCF	-49.877,4
6. Waste	3.554,1
Total (incl. LULUCF)	**41.698,5**
Total (excl. LULUCF)	**91.575,9**

2.3.11. Sources of data used for defining the intensity target:

2.3.11.1. Forecast and methodology for forecasting the Gross Domestic Product: chapters IV.1.2 and Appendix 2.2. of the Phase 2 Result Report of MAPS Chile for October 2014.[11]

2.3.11.2. Forecast and methodology for forecasting the Gross Domestic Product: chapters IV.1.1 and Appendix 2.1. of the Phase 2 Result Report of MAPS Chile for October 2014.

2.3.11.3. Assumptions and methodologies for forecasting fuel and electricity prices: Chapter IV.1.7 and Appendices 2.6, 2.7, 2.8, 2.9 in the Report of Phase 2 Results of MAPS Chile, October 2014.

2.3.11.4. Methodologies for forecasting energy demand, sectorial models and macroeconomic models. Report of Phase 2 Results of MAPS Chile, October 2014.

2.3.12. As regards markets, Chile does not rule out using international GHG emission transaction markets to comply with the commitments assumed under its INDC as documented herein.

Target of the LULUCF sector:

The contribution related to the first commitment of the sector is based on sustainable development and recovery of degraded forests, mostly native. For the period 2020-2030, at least 100,000 hectares will be intervened, through recovery-associated activities, for which

10 http://portal.mma.gob.cl/wp-content/doc/2014_1I-BA_Chile_Espanol.pdf

11 http://mapschile.cl/files/Resultados_de_Fase_2_mapschile_2910.pdf

adequate forestry measures will be taken (such as supplementary planting and exclusion of animals).

In addition, measures are being considered aimed at reducing emissions to reduce or prevent forest degradation, which will be applied in forests with non-existent or low levels of anthropic origin deterioration, but with an apparent risk potential. These activities will consider, for instance, preventive forestry against wildfires and comprehensive biomass sustainable use measures, mainly timber. Wildfires and the illegal harvest of timber are the main precursors of forest degradation in Chile, based on the last updated report by the INGEI.

In relation to the second commitment of the LULUCF sectors, this could be achieved through plantation (forestation) of degraded lands in an average surface of 100,000 hectares, mainly with native species.

2.4. Assessment of compliance with the intensity target and the LULUCF sector

2.4.1. Greenhouse gas emissions

This will be determined using the National Greenhouse Gas Inventory submitted by Chile to the Secretariat of the United Nations Framework Convention on Climate Change, through its national communication and/or biennial update report in 2027, and with the progress of the report for the year 2032, discounting emissions and sequestrations of the LULUCF sector. Units: million CO2 equivalent tons.

2.4.2. Gross Domestic Product (GDP)

It shall be determined based on the annual growth rate of the Gross Domestic Product as published in the series of National Accounts of the Central Bank of Chile. The Gross Domestic Product shall be carried to constant 2011 prices. Units: million Chilean pesos by 2011, CLP$ 2011.

2.4.3. Specific contribution to the LULUCF sector

In order to assess compliance with the commitments of the LULUCF sectors, the National Forestry Corporation (CONAF) and the Forestry Institute (INFOR) are working on the corresponding Monitoring, Reporting and Verification (MRV) tools.

For complying with these commitments, Chile has a series of tools. The main one is the Native Forest Recovery and Forest Promotion Law (Law 20.283), which awards credits for activities which favor the regeneration, recovery or protection of native forests.

Furthermore, the National Forestry Corporation (CONAF) is implementing the National Climate Change and Vegetation Resource Strategy. This plan, proposes climate change mitigation and adaptation measures aimed at supporting the recovery and protection of native lands and xerophytes. In addition, it promotes the plantation of vegetation in apt soils belonging to small and medium-sized producers. A state mechanism will be designed and implemented to facilitate access by communities and owners to the benefits associated with the environmental services generated by these recovered ecosystems.

2.5. Mitigation contribution implementation and follow-up processes

The processes for the implementation and follow-up of Chile's contributions include the following tools:

- Chile's National Greenhouse Gas Inventory System, which contains all the institutional, legal and procedural measures set forth for the biennial update of the country's national inventory.

- National Climate Change Action Plan 2016-2021, which is currently being prepared with a cross-sectional integrated approach to mitigation, adaptation and capacity-building, which aims at implementing actions and allocating mitigation responsibilities.

- National Energy Agenda led by the Ministry of Energy, which includes the following targets: 30% reduction in the marginal costs of electric energy by 2018, 20% of the energetic matrix should be

made up of non-conventional renewable energies by 2025, a 20% reduction in the energy consumption forecast by 2025, and the design of a long-term energy development strategy.

- National Sustainable Construction Strategy, led by the Ministry of Housing and Urban Development, which will set forth the guidelines to integrate the concept of sustainable development to the construction sector. This strategy seeks to articulate and link effective energy and environmental plans by establishing goals and objectives in the area of energy, water, waste and health for the long, medium and long-term.

- Nationally Appropriate Mitigation Actions (NAMAs) in all sectors of the economy.

- CO_2 emission tax approved by the Tax Reform, Law 20.780 dated October 2014, which shall become effective on January 1, 2017. The reform establishes an annual tax benefit lien on carbon dioxide, among other gases, produced by facilities whose stationary sources, made up of boilers or turbines, have an aggregate thermal power equal or higher than 50 MWt (thermal megawatts). The tax shall be equivalent to 5 US Dollars for every ton of CO_2.

- Tax on the initial sale of lightweight vehicles pursuant to Law 20.780, which has been implemented since December 28, 2014 and which taxes CO_2 emissions indirectly, by charging a higher tax inversely proportional to vehicle performance.

2.6. Chile's work on short-lived climate pollutants

In the same way as other countries, Chile recognizes that the actions aimed at reducing short-lived climate pollutants (SLCP) entail a substantial contribution to the mitigation of the causes of Climate Change. In addition, these actions have known concomitant benefits, in terms of reducing the levels of local atmospheric pollution in urban centers.

Black carbon, which is considered a SLCP, accounts for a substantial part of the particulate (PM2.5) measured in Chilean cities. Main sour-

ces of black carbon in Chile come from diesel transport, heating and residential wood fired cooking. The 2014-2018 Atmospheric Decontamination Strategy of the Chilean Government contemplates the implementation of atmospheric decontamination plans for fine particulate matter.

Our country considers that the efforts made in reducing black carbon in the regions which have high levels of this substance will make a significant contribution to the sustainability of Chile's development and various forms of technical cooperation and international financing to support such initiatives will be welcome.

3 ADAPTATION

Fotografía: MMA

3.1. Context

Chile is highly vulnerable to Climate Change. Forecasts indicate a decrease in rainfall and a temperature rise in most of the country, especially in the mid-northern region. As regards rainfall, an important decrease is anticipated for the central region. An increase in the frequency and magnitude of extreme events, such as droughts and floods, is also expected.

All these changes shall have a direct or indirect impact on our cities, our lifestyles, the ecosystems and the country's productive activities. For this reason, adaptation has been identified as one of the main axis of Chile's Climate Change strategy, so as to minimize the threats to its social and economic development.

Our country currently has a National Climate Change Adaptation Plan, approved by the Sustainability Ministers' Council in December 2014. This plan defines the guidelines for adaptation in the country and provides an operational structure for its coordination and implementation, both with sectorial and cross-sectional approaches, in different administrative territorial levels.

Pursuant to this national plan, two sectorial adaptation plans have been developed and approved (forestry and agriculture, and biodiversity plans), while other seven plans are scheduled: water resources, fisheries and aquaculture, health, energy, infrastructure, cities and tourism, sectors which jointly represent Chile's priorities in terms of adaptation. The measures of the two approved sectorial plans are currently undergoing a process of gradual implementation, supported with national and international financing.

For instance, the forestry and agriculture plan is made up of 21 measures which mainly focus around water management, research, information and capacity-building, risk management and agricultural insurance and forestry management.

The biodiversity plan considers 50 measures which focus around research and development of management capacities, information and environmental awareness at the national and local level, the promotion of sustainable farming practices and the maintenance of environmental services, as well as the consideration of the biodiversity objectives in territorial planning, and lastly, the implementation of adaptation measures for ecosystems and ground and water ecosystem species, coastline, continental and oceanic island water systems, both in rural and urban areas.

3.2. Intended Nationally Determined Contribution to Adaptation

In the process of adaptation to Climate Change, it is key for all relevant players, particularly the sub-national governments and the citizens, to become involved. For the implementation of the lines of action described in this document, in addition to the national funds allocated for this effect, Chile will also seek international financing mechanisms.

Adaptation actions will be structured around two different cy cles: the first one to be completed in 2021, and the second one to be completed in 2030.

3.2.1. In order to have the necessary tools to face the impacts of Climate Change by 2021, Chile proposes at least the following:

- Implementing specific actions aimed at increasing resilience in the country, under the National Climate Change Adaptation Plan and the sectorial plans, with a decentralized perspective and seeking to integrate efforts among the different decision-making levels (national, regional, and municipal).

- Identifying sources of financing to implement said plans, based on the considerations set forth in the financing section of this contribution.

- Building synergies with the contemplated mitigation initiatives, and maximizing the benefits that stem from the development and capacity-building pillars, as well as technology

creation and transfer included in this contribution.

- Strengthening the institutional background of the adaptation in Chile.

- Preparation of metrics and measurement tools of the sectorial plans.

3.2.2. As of 2021, Chile has set the following aims:

- Initiating a second cy cle of sectorial plans for Climate Change adaptation, based on the experience gained so far

- Having an updated National Adaptation Plan.

- Developing a national assessment practice by 2026, through vulnerability indicators and methodologies aimed at determining the increase of the capacity of adaptation of the individuals, communities and systems impacted by Climate Change.

4 CAPACITY BUILDING AND STRENGTHENING

Fotografía: Karina Bahamonde

4.1. Context

Chile requires a defined strategy to strengthen national and international capacities in the face of Climate Change. Although the Ministry of the Environment, in collaboration with the Ministry of Foreign Affairs, has implemented south-south-north collaborative projects that allow for national capacity-building and strengthening in relation to Climate Change, the country currently has valuable information and learning which it can make available to its citizens, particularly the most vulnerable sectors, but which it can also put to the service of its peers under the UNFCCC.

In coordination with the Ministry of Education, Chile has begun to introduce the challenges and opportunities of Climate Change in school curriculums. It has also created platforms for the management and distribution of information on Climate Change. These efforts should be continued, increased and spread as part of south-south cooperation. The country aspires to have its citizens educated on sustainable, inclusive, resilient and low-carbon development.

4.2. Intended Nationally Determined Contribution to Capacity-Building

4.2.1. The creation of forecast models that Chile can share and distribute nationally and internationally, both through individual efforts and jointly with other countries determined to take action.

4.2.2. Seminars, organized in conjunction with other countries willing to provide training and coaching support to nations which so require it, through the preparation and reporting of their planned national contributions, greenhouse gas emission inventories, national communications, biennial update reports, and nationally appropriate mitigation actions (NAMAs).

4.2.3. The preparation of instruments to promote research and capacity-building at the national and sub-national level, strengthening

the response capacity of the communities and local governments, so as to strengthen national adaptation capacity through institutional development and the capacity-building of the groups and sectors of the country which are most vulnerable to the impacts of Climate Change.

5 TECHNOLOGY DEVELOPMENT AND TRANSFER

Fotografía: Gobierno de Chile

5.1. Context

Chile still requires a technology development and transfer strategy in order to face the national challenges related to Climate Change.

5.2. Intended Nationally Determined Contribution to Technology Development and Transfer

In 2018 Chile will have a technology development and transfer strategy which will include at least the following:

5.2.1. A baseline analysis of spending and investment in technology;

5.2.2. Mapping of needs and technological priorities for climate change;

5.2.3. Identification of possible implementation synergies to be used in the technological response to adaptation and mitigation of Climate Change.

6 FINANCING

Fotografía: Francisca Villalón

6.1. Context

Chile currently still requires a cross-sectional financing strategy to face national challenges posed by Climate Change. It is evident that part of the public national expenditure has had a positive impact in terms of resilience and Climate Change mitigation in the country, based on our 2020 commitment. Thus, in order to contribute effectively in the context of a post-2020 agreement, Chile needs to conduct a national evaluation of the expenditure on this matter, to make a contribution to the climate arena from its national circumstances and in line with its capacities.

6.2. Intended Nationally Determined Contribution to Financing

In 2018, Chile will report a cross-sectional National Finance Strategy for Climate Change which will include at least the following:

• A periodical Climate Change public spending analysis, both direct and indirect, which will be updated annually after 2020;

• Creation of internal institutions which will allow to optimally manage and coordinate the relationship with the Green Climate Fund, which from a multi-sectorial perspective will be in charge of raising and assessing the fundable project portfolio, among other duties;

• Design of financial instruments which can be used for purposes such as adaptation and technology transfer.

Thus Chile hopes to have a baseline for financing Climate Change at a national level. The country would also like to be able to identify and structure the financial flows according to their origin, differentiating between national vs. international and public vs. private spending; and eventually according to its performance.

With a sound evaluation of its Climate Change finance, Chile will be in a position to implement a national financing strategy that is appropriate to confront the challenges and opportunities facing the country. This evaluation will enable it to determine an optimal finan-

cing portfolio, and eventually obtain a sustainable supply of public and private resources to put together an array of fundable projects based on the priority areas identified in this document.