

# Benefit-sharing System Proposal (SDB by its Spanish acronym)

To the National Strategy on Climate Change and Vegetation  
Resources (ENCCRVR by its Spanish acronym) of Chile

For Results-Based Payment Phase under the REDD+ approach

2<sup>nd</sup> Edition



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**Proposal for the Benefit Sharing  
System (SDB) to the National  
Strategy on Climate Change and  
Vegetation Resources (ENCCRV) of  
Chile for the Results-based Payment  
Phase under the REDD+ approach**

2<sup>nd</sup> Edition

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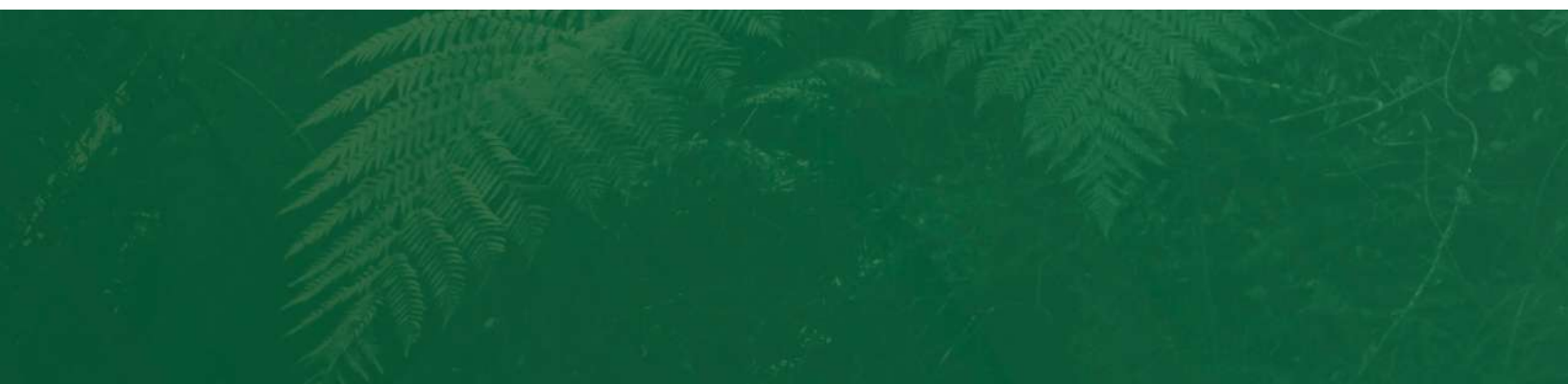
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# Summary

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## Summary

This document gives account for background information that has been considered to design the Benefit Sharing System (SDB) for the National Strategy on Climate Change and Vegetation Resources (ENCCRIV) of Chile, promoted by the Ministry of Agriculture (MINAGRI) through the National Forestry Corporation (CONAF). This Strategy addresses the REDD+ approach promoted by the United Nations Framework Convention on Climate Change (UNFCCC) through its decisions, and that it seeks to reduce the forest carbon emissions produced by forest deforestation and degradation, and promote activities that allow to increase the forest carbon sequestration in the country.

The SDB is a framework that defines the approach and procedures to allocate the financial resources that are generated in the third phase of the ENCCRIV associated to the results-based payments of REDD+, which are determined by contrasting the forest emission reductions during the implementation phase of REDD+ with the reference levels that have been elaborated by some regions of the country, in line with the UNFCCC considerations for developing countries implementing strategies in this area.

This document has in its first section an introduction where the design of the SDB is contextualized, and then in the following sections, address briefly the context and international development that it has been given to REDD+ in the decisions of the UNFCCC, a general overview of the main technical elements and formulation processes that were established for the ENCCRIV, and the general background information of the Forest Carbon Partnership Facility (FCPF), and in its two financing lines, being one of them specific to access results-based payments and in which Chile shows significant progress, and it is estimated that it could receive financing under this modality in the coming years.

The fourth section outlines the main approaches regarding the country's position on its SDB, such as scope, processes, and those recurrent characteristics that several international bodies promote for its design and implementation.

The fifth section, addresses in detail the proposed structure for the national SDB, describing the decision-making processes, stakeholders involved and their roles, criteria for allocation of funding in regions, and a description of the implementation arrangements of the action measures present in the ENCCRIV in the territory. Finally, a section has been included with general comments regarding what the SDB implies and the challenges to be addressed at national level for a successful implementation.

# Introduction

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# Introduction

The REDD+ approach has promoted distribution of the resources derived from the results-based payments component, through a transparent system in its procedures and decisions, legitimizing, with that, the Strategies that the countries propose for REDD+, which in the national context has been developed under the ENCCRV led by CONAF.

These distribution mechanisms are known as SDB, which should give account for, among other aspects, the type of benefit to be shared, the institutional means and procedures for the resources allocation that can be obtained under results-based payments of REDD+, as it is the case of the Carbon Fund of the FCPF. Accordingly, an equal share is a key principle to establish, manage and promote the proper incentives to change behaviors associated to forest deforestation and degradation, by reducing the carbon emissions, and to address those barriers that make it difficult to increase its stock (Podvin *et al.*, 2017).

On the other hand, not having an adequate SDB, could generate a threat for the legitimacy and support that the ENCCRV could receive at national level and thereby REDD+, and for the activity effectiveness that are proposed under this framework. Seen from this perspective, the goal of the SDB of the ENCCRV is, *allow the sharing of the resources obtained in the results-based payments phase of REDD+ in an effective, efficient, equal and transparent way*. To achieve this goal in the SDB design, decision-making at different levels, under the base of the institutionality in matter of climate change in the country, has been considered, and that is reinforced at regional level with the participation of civil society organizations, that validate decision-making and allow a follow up of the results (UICN, 2009).

Based on a broad participatory process of formulation and validation of the ENCCRV and supported by many technical studies in collaboration with national and international academia, it is considered that, the compensations that could be received under the REDD+'s results-based payments concept, must focus on small and medium size forest owners, according to the current definition of the sectorial legislation.

With these first definitions, three fundamental criteria have been established for making financial allocations, from the central level to the regions and that will enable to implement the actions measures of the ENCCRV, these are:

- ✓ Equity among regions.
- ✓ Efficiency in the generation of emission reductions and increase of forest carbon absorption.
- ✓ Solidarity with those regions that have difficulties to achieve emission reductions or increase of forest carbon absorption, due to different circumstances of force majeure such as fires, plagues, or socio-economic situations, among others.

For resource allocation to each region, two modalities have been established that will be supported by the Prioritization System that has been developed under the ENCCRV framework, with the purpose of being efficient in the management of the financial resources generated. One modality considers the targeting established by Regional Councils for Climate Change (CORECC, by its Spanish acronym), which corresponds to private-public instances led by Regional Governments, which should guide the regional actions useful to meet the goals that Chile committed to, in its Nationally Determined Contribution (NDC), becoming more important after the ratification of the Paris Climate Change Agreement by the National Congress in the year 2017. The second modality is direct allocation, which consists in a public tender managed by the Regional Administrations of CONAF.



# General context

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# General context

## 2.1. United Nations Framework Convention on Climate Change REDD+ Approach

In line with the decision taken since the 11th Conference of Parties (COP) of the UNFCCC, held in Montreal, Canada in the year 2005<sup>1</sup>, the ENCCR incorporates and address in a comprehensive way all the decisions associated to the REDD+ approach tending to reduce emissions of Greenhouse Gases (GHG) related to deforestation and forest degradation and also those activities that contribute to preserve and increase the forest carbon stock. Countries that wish to receive results-based payments using such approach, must necessarily comply to a series of technical, programmatic, environmental and social elements with the purpose to avoid, mitigate and minimize the potential negative impacts.

In Cop 19 of 2013, held in Warsaw, Poland, seven decisions were grouped under the **Warsaw Framework for REDD+**, that complemented previous decisions in this regard, systematizing and establishing, with greater methodological detail, the requirements and general technical lines for developing countries to move forward in a structured way in REDD+ that could receive results-based payments<sup>2</sup>.

During the coming years, different funds and implementation agencies and the countries themselves that participate in REDD+ have gone deep and improved the understanding of the elements and requirements that have been established by REDD+, which has made it possible to show significant progress regarding to other sectors within the UNFCCC framework.

### i. Phases and Activities for REDD+

For implementation of the REDD+ approach, three phases have been considered, which have been adopted by ENCCR; the first of them, called Readiness, promotes the design and conceptual development of all its elements and interrelations at a technical, political, social, and institutional level, such as analysis of drivers for deforestation and forest degradation, the definition of activities that address the drivers, the development of participatory processes for the formulation and validation of the Action Plans or National Strategies for REDD+, among other technical aspects associated to the carbon accounting.

In the second phase of implementation, actions with direct impact on the territory are materialized and tested, which allows at the same time to pilot all the institutional and technical arrangements designed in the readiness stage, as well as the technological developments proposed for the proper monitoring of the activities. Finally, the last phase, called results-based payments, is intended to compensate those countries where it is verified that there is an effective reduction in emissions and/or an increase in the GHG absorption as a result of the activities developed in the implementation phase. This last phase only begins operating when countries prove emission reductions and/or increase in absorption, measurable, reportable and verifiable by independent



<sup>1</sup> For all the references to the different CMUNCC Decisions quoted below, see UNFCCC Secretariat (2016), Key decisions relevant for reducing emissions from deforestation and forest degradation in developing countries (REDD+). Document available in: [https://unfccc.int/files/land\\_use\\_and\\_climate\\_change/redd/application/pdf/compilation\\_redd\\_decision\\_booklet\\_v1.1.pdf](https://unfccc.int/files/land_use_and_climate_change/redd/application/pdf/compilation_redd_decision_booklet_v1.1.pdf)

<sup>2</sup> Under the Warsaw Framework countries asked to designate a Focal Point for REDD+, it was because of that that in 2014 the Ministry of Foreign Affairs (MINRE, by its Spanish acronym) of Chile, political Focal Point of the UNFCCC, designated with the approval of the Ministry of Environment (MMA, by its Spanish acronym) of Chile - technical Focal Point before the UNFCCC -, CONAF as REDD+ Focal Point of Chile.

entities, as well as the development and implementation of all those background information, elements and systems that allows the verification, recording and sharing of the benefits that have been generated.

Moreover, at the COP 16 of 2010 held in Cancun, Mexico, two key requirements were defined for the implementation of REDD+, one of which is the elements that must be developed to be able to participate in results-based payments for REDD+, which will be presented in the following item. And the other requirement is concerned with the mitigation activities that have to be considered for the development of the REDD+ Strategy on a voluntary basis by the countries<sup>3</sup>, these activities are:

- ✔ Reduction of emissions from deforestation;
- ✔ Reduction of emissions from forest degradation;
- ✔ The conservation of forest carbon stocks;
- ✔ Forest sustainable management;
- ✔ The increase of forest carbon stocks.

## ii. REDD+ Elements under UNFCCC

To make progress in REDD+, the developing countries must have, unavoidably, the following elements:

- ✔ A REDD+ National Strategy or Action Plan
- ✔ A National Forest Reference Emission Level and/or Forest Reference Level (FREL/FRL)
- ✔ A National Forest Monitoring System (SNMF, by its Spanish acronym)
- ✔ A Safeguard Information System (SIS, by its Spanish acronym)

One of the key elements for the implementation of REDD+ activities, is the development of a **REDD+ National Strategy or Action Plan**, where it is described how the emissions will be reduced and how the forests are going to be increased, conserved, and/or managed in a sustainable way in the framework of REDD+ implementation<sup>4</sup>. One of the main components that must be include in the National Strategy, is to identify and propose actions on how to address the drivers of deforestation and forest degradation<sup>5</sup>, taking into consideration national particularities regarding land ownership, the institutionality and governance associated to the forests and other elements, such as gender mainstreaming<sup>6</sup>, ensuring the full and effective participation of relevant stakeholders of Civil Society Organizations (OSC, by its Spanish acronym), indigenous people, and communities that depend on such resources.

In Chile, the ENCCRV was developed through studies that provided the technical basis and a participatory process that concluded in the year 2016, with its validation by the Directive Council of CONAF on October 25th of that year, and by the Council of Ministers for Sustainability (CMS, by its Spanish acronym) on November 14, 2016. Similarly, the relevance of the ENCCRV was also recognized in the speech of H.E. the President of the Republic Ms. Michelle Bachelet, during the high-level segment of the COP 22 of 2016, held in Marrakech, Morocco. Finally, on October 31, 2017, the ENCCRV was approved by means of the Decree N°50 signed by the Minister of Agriculture, Mr. Carlos Furche, and by the President of the Republic.



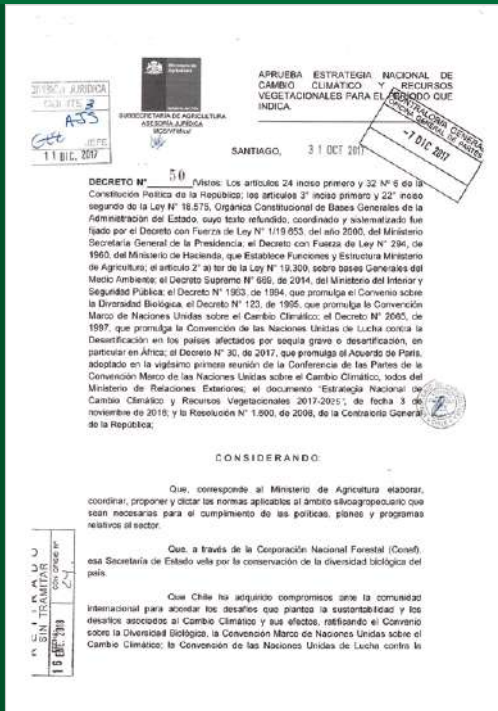
<sup>3</sup> Contained in decision 1/CP.16, paragraph 70.

<sup>4</sup> Contained in decision 1/CP.16, paragraph 71 and 72.

<sup>5</sup> Information Note N°7. Identification and prioritization of deforestation devegetation and degradation of the plant resources and related problems to increase their coverage and quality as the basis for the design of the action measures of the National Strategy on Climate Change and Vegetation Resources (ENCCRV). Document available at: <https://www.enccrv-chile.cl/descargas/publicaciones/344-nota-informativa-n-7/file>

<sup>6</sup> Information Note N°8. Gender Mainstreaming in the National Strategy on Climate Change and Vegetation Resources (ENCCRV) of Chile. Document available at: <https://www.enccrv-chile.cl/descargas/publicaciones/324-nota-informativa-8/file>





► Decree Nº50 of October 31<sup>st</sup>, 2017.

► HE the President of the Republic Mrs. Michelle Bachelet at COP 22<sup>nd</sup> of UNFCCC, Marrakech, Morocco, November 15, 2016.

As it was indicated, a second element requested to the developing countries that seek to progress in the REDD+ approach, is the development of a National **Forest Reference Emission Level and/or Forest Reference Level**, whose objective is to characterize the GHG historic emissions due to deforestation and forest degradation, as well as the absorption resulting from the increase of forest stock, the conservation and sustainable management of forests, projecting them into the future<sup>7</sup>, and thus serving as a comparative basis, to determine the performance during REDD+ implementation.

The FREL/FRL consigned by Chile before the UNFCCC in 2016, was submitted to the evaluation of an independent technical team of the UNFCCC<sup>8</sup> and, in parallel, by Carbon Fund FCPF experts, successfully overcoming both processes not because of the quality and technical consistency, but for unprecedented progress in a methodology related to determining emissions resulting from forest degradation.

The third element required by the UNFCCC of REDD+, is to develop a **National Forest Monitoring System**, which has to make possible to evaluate the effectiveness of the activities carried out to reduce emissions and/or carbon sequestration.

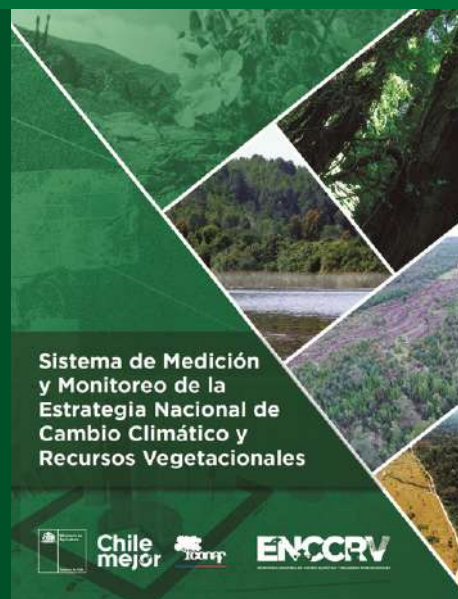
While the need to establish monitoring, reporting and verification mechanisms began to be defined in COP 15, 2009, Copenhagen, Denmark, and in the Bali Action Plan, it was not until it was established in the Warsaw Framework for REDD+ that further details were provided regarding the modalities that should be adopted in the NFMS<sup>9</sup>.



<sup>7</sup> Contained in decision 1/CP.16, paragraph 71.

<sup>8</sup> Contained in decision 13/CP.19, paragraph 1.

<sup>9</sup> Contained in decision 11/CP.19.



► **Chile's sub-national Forest Reference Emission Level and/or Forest Reference Level.**

Document available at: <https://www.enccrv-chile.cl/descargas/publicaciones/35-nivel-de-referencia-de-emisiones-forestales/file>

► **National Forest Monitoring System of the National Strategy on Climate Change and Vegetation Resources.**

Document available at: <https://www.enccrv-chile.cl/index.php/descargas/publicaciones/712-doc-smm-pc/file>

In the Case of Chile, CONAF, in March 2018, has published the Monitoring and Measurement System (SMM, by its Spanish acronym) of the ENCCRV that encompass the NFMS. The SMM includes in its design the detailed description of the institutional arrangements and structure; the sources of information related to each one of the different integrated systems; the planning of activities for the development of cross-sectorial improvements and report generation; the available financing and sustainability strategy, all of this with an established planning horizon until 2025.

Finally, and as last element, it is required a **Safeguard Information System**, that allows to monitor and follow-up how the seven safeguards, that were established in Cancun's COP, 2010<sup>10</sup>, are approached and observed. This SIS must be consistent with the decisions of the Convention, regarding its transparency, flexibility and accessibility for all of those relevant stakeholders during the Strategy implementation, providing information on how each one of them is being addressed as well as other applicable requirements<sup>11</sup>. During 2018, CONAF is in the SIS development process, which will be in operation starting 2019.

Additionally, in the 17<sup>th</sup> COP in Durban, South Africa, specifically in its decision 12, paragraph 3, it was established that the countries must provide an Summary of Information on Safeguards that indicate how they are being addressed and respected in the implementation of territory activities, for which some elements have been defined related to the activities that must be included, the national circumstances in which they are addressed and the continuous improvements that are considered for their follow-up<sup>12</sup>. Chile has published the First Information Summary regarding the approach, respect and compliance to the safeguards for the ENCCRV formulation, in February of 2018<sup>13</sup>.



<sup>10</sup> Contained in decision 1/CP.16, appendix 1, paragraph 2.

<sup>11</sup> Contained in decision 12/CP.17, paragraph 2.

<sup>12</sup> Contained in decision 17/CP.21, paragraphs 4, 5 and 7.

<sup>13</sup> First Information Summary regarding the Approach, Observance and Compliance to the safeguards for the ENCCRV formulation Document available at: <https://www.enccrv-chile.cl/index.php/descargas/publicaciones/709-reporte-salvaguardas-pc/file>





- **First Information Summary regarding the approach, respect and compliance to the safeguards for the Formulation of the National Strategy on Climate Change and Vegetation Resource (ENCCRV) of Chile. Reporting Period 2013–2017.**

Document available at: <https://www.enccrv-chile.cl/descargas/publicaciones/709-reporte-salvaguardas-pc/file>

### iii. Paris Agreement and Results-Based Payments

In COP 21, 2015, Paris, France, the Paris Agreement<sup>14</sup> was adopted, considered as a powerful document in taking actions to combat climate change, existing high expectations of its effects at the time of implementation. The Agreement establishes that the developed and developing countries, state voluntarily their own NDCs<sup>15</sup>, goals that once they are consigned to the Secretary of the UNFCCC and are ratified by the countries, become legally binding.

The Paris Agreement, has the objective to reinforce the world answer to the climate change threat, in the context of sustainable development and of the efforts to eradicate poverty, always in a way that reflects equity and the principle of common but differentiated responsibilities, and to this end indicates that is necessary, to keep the global average temperature well below 2°C and continue efforts to limit this increase in temperature to 1,5°C regarding the pre-industrial levels, increase the capacity to adapt to the climate change effects, and to make a financial flow consistent with low GHG emissions and climate resilient development<sup>16</sup>.

Special mention is done in the Paris Agreement to the Green Climate Fund (FVC, by its Spanish acronym) and its role, in matter of financing, for countries that progress in their REDD+ strategies<sup>17</sup>. An important milestone in this regard, is that in September 2017 in El Cairo, Egypt, a meeting of the FVC Council was held, defining a specific financing window for developing countries to access to results-based payments related to REDD+. This broadens the options of Chile to access this international financing modality, as it is complementary to what is already been worked within the FCPF Carbon Fund framework and to enter in possible bilateral agreements with developed countries in this regard.

<sup>14</sup> For all the references to the Paris Agreement of the UNFCCC that are cited below, see: Secretariat of the UNFCCC (2015). Adoption of the Paris Agreement. Link: <https://unfccc.int/resource/docs/2015/cop21/eng/109r01.pdf>

<sup>15</sup> Nationally Determined Contribution to the Climate Change Paris Agreement. Document available at: <http://www4.unfccc.int/Submissions/INDC/Published%20Documents/Chile/1/Chile%20INDC%20FINAL.pdf>

<sup>16</sup> Contained in Paris Agreement, article 2.

<sup>17</sup> Contained in Paris Agreement, paragraph 59.

## 2.2. National Strategy on Climate Change and Vegetation Resources of Chile

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### i. General Background Information

In Chile, formulation and development of the different elements required for REDD+, has been carried out since 2010 with the design of the ENCCRV, under the coordination of the Climate Change and Environmental Services Unit (UCCSA, for its acronym in Spanish) of the Management Office on Forest Development and Support (GEDEFF, by its Spanish acronym) of CONAF, entity dependent on the MINAGRI, that has the role of the National Focal Point of REDD+ before the UNFCCC.

It has been arranged that the ENCCRV structure integrates all the actions to progress in the REDD+ requirements, as well as the other requirements specific to the United Nations Convention to Combat Desertification (UNCCD), such as develop elements to advance in the Land Degradation Neutrality (DNT, by its Spanish acronym)<sup>18</sup> mechanism.

At national level, the ENCCRV has been considered as key public policy instrument to achieve the goals of the NDC, both, in the mitigation area as in adaption to climate change.

The main goal of the ENCCRV is to “reduce social, environmental and economic vulnerability generated by climate change, desertification and soil degradation and drought on plant resources and human communities that depend on them, in order to increase ecosystem resilience and contribute to mitigate climate change promoting reduction and capture of greenhouse gas emissions in Chile”. This instrument corresponds to a set of action measures that differ in the way in which they impact and are executed in the territory, being this action measures of a direct nature, when they generate environmental, social, and economic benefits in the territory given their operational characteristic, or of a facilitation nature, when they allow or enhance implementation of the direct measures.

As for REDD+, development of the ENCCRV was performed using the three phases aforementioned (Figure 1). In this context, in the Readiness phase of the ENCCRV participation and validation processes and also technical studies with national and international specialists were executed, and the first projects in the territory established, with the aim of strengthening capacities at national level on the different technical topics and approaches that are proposed in REDD+ for the implementation phase.



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<sup>18</sup> The first National Report of DNT in the framework of the ENCCRV to the Secretariat of the UNCCD was done in January 15th, 2018, by the Directorate of Environment and Oceanic Affairs of the Ministry of Foreign Affairs (MINREL) on behalf of the Government of Chile. Document available at: <https://www.enccrv-chile.cl/descargas/publicaciones/423-reporte-de-neutralidad-en-la-degradacion-de-las-tierras-ndt-ante-la-convenion-de-las-naciones-unidas-de-lucha-contra-la-desertificacion-cn-v2/file>



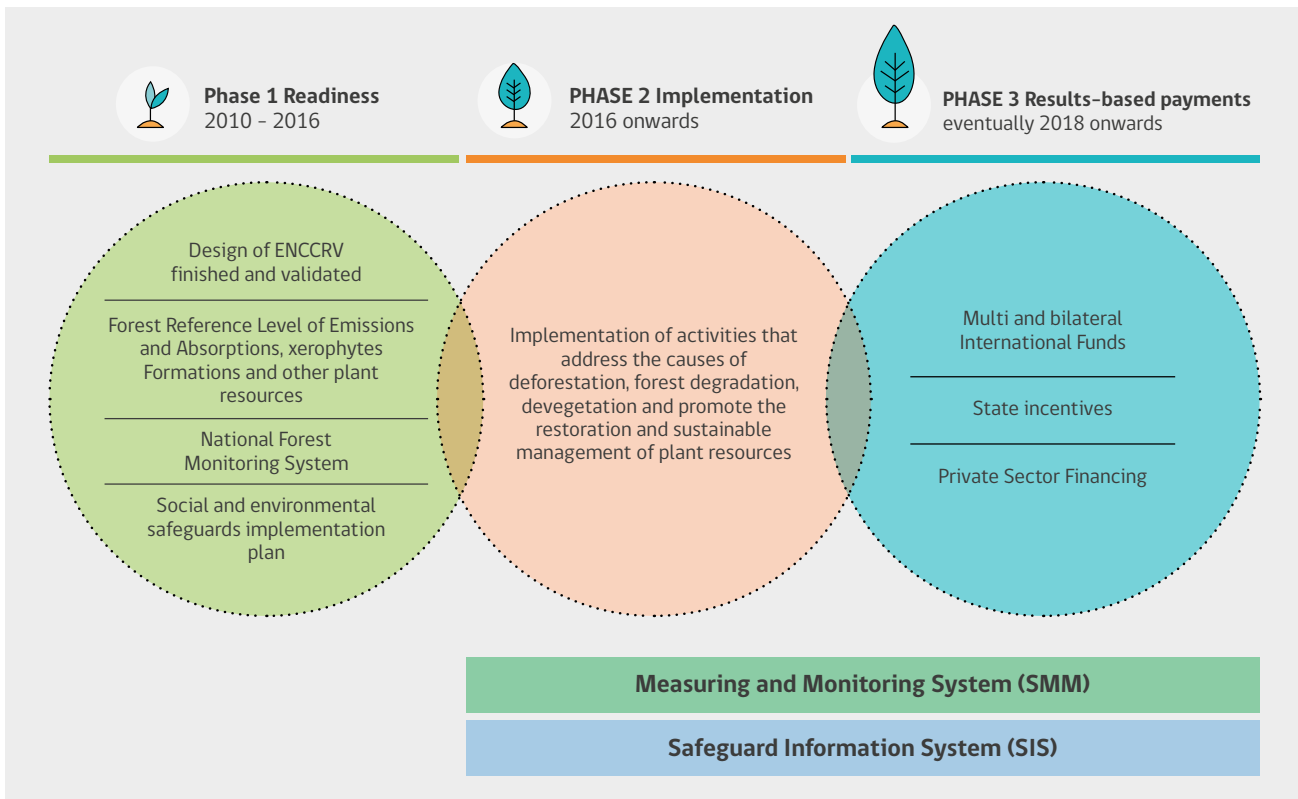


Figure 1. Phases, elements and systems of the ENCCRV.

For the third phase of Results-based Payments, which seek to repay the countries that have achieved to reduce effectively their emissions, various sources of financing are considered and analyzed that can contribute with the ENCCRV, whether public, private, bilateral and/or multilateral.

## ii. Formulation and Validation Process

Formulation of the ENCCRV was structured based on 15 regional workshops, one in each administrative region of the country, plus one at national level, where through a methodology that allowed identification of different Focal Groups (GF, by its Spanish acronym) with direct or indirect relation to the vegetation resources<sup>19</sup>, sought to prioritize in a consensual manner guidelines with local relevance that would facilitate the ENCCRV formulation and the definition of its action measures, with the objective that the rights of the Indigenous People, local communities or disadvantaged groups are not affected, ensuring active and effective participation of women, as well as other guidance elements considered, such as identifying drivers of deforestation and forest degradation, improvement of monitoring, analysis and processing of legal background to improve the forest legislation, and other analysis such as raising relevant inputs that allowed to contribute in the design of the core elements of the national SDB<sup>20</sup>. In addition, two workshops of experts were added, where specialists in the topics got together and from which guidelines and technical inputs were obtained that contributed to strengthen both, the studies as well as the results obtained from the workshops with the GF.

<sup>19</sup> To see the definition and identification methodology of the Focal Groups see Social and Environmental Safeguards Implementation Plan of Public and Indigenous Consultation and Self-assessment of the ENCCRV. Document available at: <https://www.enccrv-chile.cl/descargas/enccrv/7-plan-salvaguardas-enccrv/file>  
<sup>20</sup> Preliminary Inputs on Benefit-Sharing System. Document available at: [https://www.forestcarbonpartnership.org/sites/fcp/files/2016/Aug/8-ER%20Title%20Transfer%20and%20Benefit%20Sharing%20report\\_chile\\_esp%C3%B1ol.pdf](https://www.forestcarbonpartnership.org/sites/fcp/files/2016/Aug/8-ER%20Title%20Transfer%20and%20Benefit%20Sharing%20report_chile_esp%C3%B1ol.pdf)

Regarding this last two inputs, the process considered consultation regarding approaches and expectations that different stakeholders of the GF had in regards potential expected benefits when implementing that action measures, or their willingness to participate in the executions without receiving monetary compensation, by endorsing the positive effects of implementation the action measures in their regions, and finally, about the mechanisms that to their thoughts, could facilitate the distributions and delivery of benefits that are promoted under the ENCCRV.

### iii. Targets of the ENCCRV

After the participatory and technical formulation processes and validation of the ENCCRV, it was determined inevitably the need of differentiating the targets of this public policy instrument in two areas, one focused in mitigation and the other in adaptation to climate change, being these areas reflected in the following targets:

#### Mitigation Target

“Reduce GHG emissions associated to degradation and deforestation by 20% by 2025, based on the emissions in the period 2001-2013, as well as to increase the capacity of the vegetation resources as carbon sink”.

#### Adaptation Target

“Reduce the vulnerability associated to the risk of land degradation through the management of vegetation resources by means of the direct intervention of at least **264.800** hectares, between 2017 and 2025. The contribution to the reduction of the vulnerability will be assessed in terms of indicators associated to biodiversity, provision of ecosystem services such as the supply and regulation of the water flow and quality, as well as land productivity”.

It is important to highlight that these goals will be achieved based on the integration of various activities established for each one of the action measures that have been defined for the ENCCRV, considering, in addition, new financial resources for the implementation.

### iv. Action Measures of the ENCCRV

During formulation and validation process of the ENCCRV, the main issues that affect the native plant resources of the country were defined and later, the activities and action measures that should be adopted to face these conflicts were identified. These action measures are classified in two modalities, being one of them called “direct”, which generate environmental benefits, for example forestation, forest restoration, among others. The second category is called “facilitative” and is intended to allow or enhance the implementation of the direct measures, for example, institutional partnerships, related legislative definitions or capacity building for relevant stakeholders.

In this context, the action measures are grouped under seven activities associated to the priority drivers and an activity of a transversal characteristic to all the causes (Figure 4). As a whole, these activities imply the implementation of 26 action measures, from which seven are direct and 19 are facilitative<sup>21</sup>.



<sup>21</sup> For more information check National Strategy on Climate Change and Vegetation Resources (ENCCRV). Document available in: <https://www.enccrv-chile.cl/descargas/publicaciones/87-enccrv-2017-2025-v2/file>



### 2.3. Forest Carbon Partnership Facility

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The FCPF was designed to provide assistance to developing countries in their efforts to reduce emissions generated by deforestation and forest degradation, besides promoting preservation, strengthening its capacity and formulating a methodological and regulatory framework that provides incentives for the execution of the REDD+ Programs. For this the FCPF defines the following objectives:

- ✔ Assist countries that can participate in REDD+ initiatives in their efforts to reduce the emissions from deforestation and forest degradation by providing them with technical and financial assistance, in building their capacity to benefit from possible future systems of incentive for REDD+;
- ✔ To test a results-based payment system to achieve Emission Reductions starting from REDD+ activities, with a view to ensuring equitable benefit sharing and promoting future large-scale positive incentives for REDD+;
- ✔ Test ways to sustain and enhance the means of livelihood of local communities and to conserve biodiversity;
- ✔ Widely disseminate the knowledge gained with the development of the Facility and the implementation of REDD+ readiness preparation proposals and Emission Reductions Programs.

To achieve these objectives, the FCPF consists of two funds:

- a) The Readiness Fund;
- b) The Carbon Fund.

The Carbon Fund is designed to test the implementation of REDD+ Programs through incentives. Participants seek to achieve net emission reductions of all its Strategy, and to apply in a experimental manner to REDD+. Carbon Fund Participants will take this into account when selecting Emission Reductions Programs for signing the corresponding Emission Reduction Payment Agreement (ERPA).

Since the year 2014 the FCPF has contributed with financing and technical support to Chile to move forward in the readiness phase of REDD+<sup>22</sup>.

The Readiness Fund, supports countries on formulating their REDD+ strategies, defines their reference levels and monitoring systems and also establish how they will address the environmental and social safeguards.

With the support of the Readiness Fund, Chile developed the participatory and technical processes of formulation and validation of the ENCCRVR, defining at the same time the first operational and technical scopes and considerations that the SDB, associated to Results-based Payment phase of REDD+, should have.

Besides moving forward in each of the readiness Fund stages, complying the national and international requirements-like those of theFCPF- allowed that the ENCCRVR to: (i) demonstrate the national commitment with the UNFCCC and REDD+, (ii) move forward and show transparency in the preparation for REDD+, (iii) ensure the participation of stakeholders at a regional and national level, in a process socially endorsed, in order to avoid or mitigate possible environmental and social risks, (iv) receive technical feedback and guidance from national, international counterparts specialists as well as from other countries, and ultimately, (v) broaden the possibilities of receiving technical and financial support from international funds for the implementation of the activities<sup>23</sup>.

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<sup>22</sup> Information Note N°4 "International Cooperation in the National Strategy on Climate Change and Plant Resources (ENCCRVR) of Chile". Link: <http://www.enccrv-chile.cl/descargas/publicaciones/39-nota-informativa-n-4/file>

<sup>23</sup> CONAF, 2016. Readiness Package of Chile for the FCPF. Document available in: <https://www.forestcarbonpartnership.org/sites/fcp/files/2016/Aug/Chilean%20R-P-August%208-2016-%20Spanish.pdf>

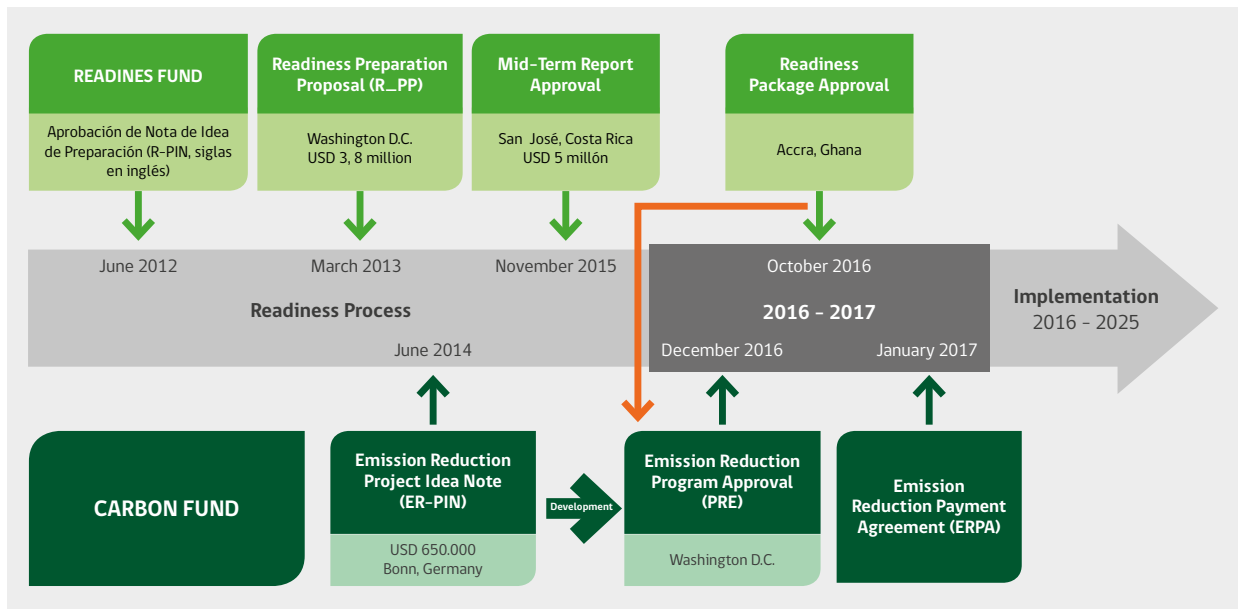


Figure 2. Chile's Progress and Products in the Readiness and Carbon Funds of the FCPF.

The countries that progress successfully in the Readiness Fund, of the FCPF, are the ones that are able to participate in the Carbon Fund, this instance allows to receive technical support from the World Bank, to elaborate a document called "Emission Reductions Program" (PRE, by its Spanish acronym), which must comply with the Methodological Framework (MM, by its Spanish acronym) of the Carbon Fund, that guides its development to give compliance to the criteria and indicators that proposes and that must be accomplished. The general integration that the Readiness and Carbon Funds have under the FCPF, in the case of Chile is shown in Figure 2.

► **Methodological Framework of Carbon Fund, Ver. June 10, 2016.**

The Carbon Fund Methodological Framework aims to guide the development of the Emission Reductions Program for which establishes general guidelines that act as a standard design to achieve a consistent approach regarding carbon accounting and characteristics of the programs to be developed. For that reason a set of 38 criteria and 76 indicators are used to formulate the requirements that must fulfill the Programs to be piloted, grouped in Level of Ambition, Carbon Accounting, Safeguards, Program Design and Implementation and Emission Reduction Transactions.

Documento disponible en: [https://www.forestcarbonpartnership.org/sites/fcp/files/2017/Jan/Marco%20metodol%C3%B3gico%20del%20Fondo%20del%20Carbono%20del%20FCPF%20final\\_0.pdf](https://www.forestcarbonpartnership.org/sites/fcp/files/2017/Jan/Marco%20metodol%C3%B3gico%20del%20Fondo%20del%20Carbono%20del%20FCPF%20final_0.pdf).



Chile's PRE contemplates the implementation of REDD+<sup>24</sup> in 5 regions of the country, from the Maule Region to the Los Lagos Region, as the program that establishes the first field actions to reduce emissions and increase carbon absorption in order to pilot the various technical, legal, financial and administrative mechanisms that are being developed under the ENCCRV, and that will eventually allow for results-based payments.

Chile presented and approved its PRE on December 15, 2016 at the 15th Meeting of the Participants Committee of the Carbon Fund, in Washington D.C., being Chile the first country in the world to circumvent such stage without any binding conditions or observations; milestone that allowed, as of 2017, to begin the readiness process for the subsequent ERPA negotiations, which is expected to be signed during 2018.

## 2.4. Requirements for the SDB from FCPF

One of the most important background information associated to the SDB design that is addressed in Chile's PRE, is to have considered the specific guidelines and requirements for its design, which are demanded to countries that develop their PRE through the Carbon Fund MM. In summary, these guidelines correspond to the following aspects<sup>25</sup>:

- ✔ Describe the institutional arrangements considered;
- ✔ Definition of monetary and non-monetary benefits;
- ✔ Elaboration by means of a transparent, participatory and, consultative process, appropriate for the context of the country, based in the Readiness stage and obviously taking into account the already existing mechanisms;
- ✔ Transparent implementation; and
- ✔ Framed in the national legal context.

In 2014, when Chile entered the Carbon Fund, a Letter of Intent<sup>26</sup>, that establishes preliminary parameters of negotiation to receive payments, was signed, where is indicated that Chile's PRE could offer to the FCPF a volume of up to 5,2 million tons of CO<sub>2</sub> equivalent (MtCO<sub>2</sub>e) associated to its accounting area. Given that the Carbon Fund establishes a price of USD 5 per ton, it is expected that the country may obtain an income of USD 26 million, associated to emission reduction generated between 2107 and 2025. Based on the background information of the FREL/FRL and ex ante evaluations regarding the PRE implementation.

From 2017 to date, Chile has been preparing the effectiveness documents that resulted as recommendations after the meeting with the Carbon Fund, where the PRE was approved. With these inputs developed, plus the acceptance of the proposed commercial conditions by the donors, it is expected that the country can sign the ERPA during 2018. Within this inputs it is considered to make the SDB more precise, with the objective of having clarity that the payments under the Carbon Fund, or from another financing source, will be distributed in a transparent, equitable, and traceable way.



<sup>24</sup> Forest Sustainable Management was not considered because of existing technical limitations that are going to be analyzed to evaluate in the short-term their incorporation. CONAF, 2016. Chile's Emission Reduction Program for the FCPF. Document available at: [https://www.forestcarbonpartnership.org/sites/fcp/files/2016/Nov/ER-PD%20Chile-%20Final-%2024%20Octubre%202016\\_0.pdf](https://www.forestcarbonpartnership.org/sites/fcp/files/2016/Nov/ER-PD%20Chile-%20Final-%2024%20Octubre%202016_0.pdf)

<sup>25</sup> FCPF, 2013. Carbon Fund Methodological Framework. Document available at: [https://www.forestcarbonpartnership.org/sites/fcp/files/2014/July/Marco%20methodol%C3%B3gico%20del%20Fondo%20del%20Carbono%20del%20Fondo%20Cooperativo%20para%20el%20Carbono%20de%20los%20Bosques%20version%20final%2012%202013%20\(updated%20July30%202014\).pdf](https://www.forestcarbonpartnership.org/sites/fcp/files/2014/July/Marco%20methodol%C3%B3gico%20del%20Fondo%20del%20Carbono%20del%20Fondo%20Cooperativo%20para%20el%20Carbono%20de%20los%20Bosques%20version%20final%2012%202013%20(updated%20July30%202014).pdf)

<sup>26</sup> The letter can be accessed at: <https://www.forestcarbonpartnership.org/sites/fcp/files/2014/November/Letter%20of%20Intent%20signed%20Chile.pdf>

# National approach to a SDB associated to REDD+

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## National approach to a SDB associated to REDD+

Chile's SDB design that is described in this document, has been developed based on the technical inputs and with the participatory instances carried out during the formulation and validation of the ENCCRV, and complemented by the background information review and discussions with national and international experts that, for years, the CONAF team has performed with the purpose of having an operational SDB, efficient and accepted by all the stakeholders.

At global level and following the guidelines of the REDD+ approach, both within the UNFCCC framework and other international bodies associated to this matter, it has been stated that the SDB of the ENCCRV must satisfy criteria of efficiency and effectiveness, transparency, equity, as well as defining the type of benefits and how they will be shared among the stakeholders. In this sense, it has been established the following basic criteria that the SDB of the ENCCRV must consider:

- ✔ Is a unique national system that must meet, in a comprehensive way, the requirements of all the international bodies that currently and in the future allow Chile to access to results-based payments.
- ✔ Considers the non-monetary benefits sharing;
- ✔ It will focus mainly in smallholders that add agricultural and indigenous communities, and;
- ✔ Use the governance structure in Chile associated to climate change, at national and regional level, complemented by instances of participation of various stakeholders.

### ► Monetary and Non-Monetary Benefits Definition in the SDB framework of the ENCCRV



**Non-Monetary Benefits (*in kind*):** Those generated by implementing the action measures of the ENCCRV. These include technical assistance, farm consumables, forestry work execution, regularization of property titles, among others, which are assigned through two modalities established by the SDB.



**Monetary Benefits:** allocation of economic resource made directly to the beneficiaries for their use and disposal (*in cash*), type of benefit that is not contemplated under the SDB of the ENCCRV.

In addition, and considering the administrative costs that implies the access to results-based payments, as well as implementing the facilitative action measures of the ENCCRV, it has been determined that a 20% of the financial resources that will be received under this concept are managed in a centralized manner (CONAF Head Office), and the remaining 80% distributed between the regions where the emission reduction and/or the increase in absorption was generated which enabled obtaining the payments to finance projects associated to the direct action measures of the ENCCRV.



A key aspect to understand, regarding results-based payments of REDD+ and its consequent relation with SDB, is that the volume for which it is compensated corresponds to the difference between the estimated volume of emissions in the FREL/FRL for the accounting area in an historical period and the estimated volume of emissions in the different monitoring milestones. Chart 1 exemplifies what Chile has defined for the Carbon Fund.

For the case of deforestation, forest degradation, increase of stock and forest conservation, in Chile's FREL/NRF, the volumes of emissions and absorptions were estimated at a regional scale. In each monitoring milestone the emissions and absorptions will be estimated with the same scale, making it impossible to identify what specific actions in the land, at a lower scale, could be considered as incremental and which not, and therefore not attributable to a spatially explicit area nor either to individual owners (Figure 3).

In the specific activities associated to absorption, even though it is possible to identify with greater spatial precision the areas where they are being generated, it is not technically feasible to segregate those that allow reaching the volume estimated in the FRL and those that should be considered additional.



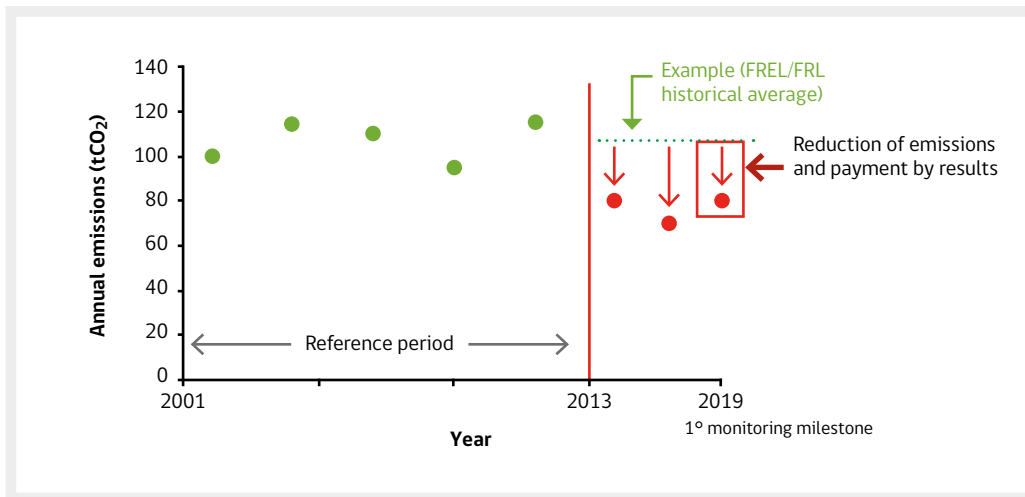


Figure 3. Graph of the milestone of monitoring and obtaining reduction of emissions.

According to the above, and based in a purely technical consideration of carbon accounting in the ENCCR framework, it is not feasible for an individual owner to be attributed or to demonstrate that has rights over a reduction or emission capture estimated at a regional level. However, and with the purpose to avoid this situation that could be understood as conflictive, in the SDB it has been considered that the non-monetary benefits to give, are in line with what thousands of persons indicated in the ENCCR formulation and validation workshops, and at the same time all is generated under a transparent and traceable process for any stakeholder.

Chart 1. Planning of the Monitoring Milestones associated to the Carbon Fund.

| Monitoring Milestone | Years     | Report |
|----------------------|-----------|--------|
| 1                    | 2017-2018 | 2019   |
| 2                    | 2019-2020 | 2021   |
| 3                    | 2021-2022 | 2023   |
| 4                    | 2023-2024 | 2025   |

# SDB for the ENCCRV of Chile





# SDB for the ENCCR of Chile

## 4.1. General scopes

Based on global definitions of the concept of Benefit sharing systems (BDS) and its adaptation to the national context, the system of the ENCCR is understood as: **“The way in which benefits generated from the implementation of action measures of the ENCCR are distributed among varied stake holders, through financing perceived by result based payments associated to REDD+”**. As a basic principle it is stipulated that the SDB for the ENCCR be clear, effective, coherent, equitable and transparent, while taking into account the customary rights over the land.

The process of designing and surveying the minimum considerations that the SDB should have started once the Plan for Environmental and Social Safeguards Implementation of Public and Indigenous Consultation and Self-Assessment was defined and applied, obtaining inputs from the different participating Focus Groups in these processes regarding to:

- Expected benefits of the implementation of the action measures (direct and indirect);
- Willingness to participate of the implementation of the ENCCR without receiving monetary benefits directly<sup>27</sup>;
- Feasible mechanisms for benefit-sharing and distribution.

These preliminary guidelines were considered in view of the requirements established by the MM of the FCPF, when the SDB requires to have “broad community support”, through the involvement of various actors in the formulation and validation phases of the ENCCR, which made it possible to consult, for instance, if the communities would consider valid non-monetary benefits that could arise from the implementation of the action measures of the ENCCR; and, with “the support of others actors involved”, for which the Intra ministerial Technical committee for Climate Change (CTICC) of the Ministry of Agriculture has been considered as part of the governance structure of the SDB at a national level and the Regional Councils for Climate Change at a Regional Level (CORECC).

To reinforce the above, these procedures are supported in explicit demands for the SDB “in what it was executed during the national preparation phase (including the Strategic Environmental and Social Evaluation)” established in the Carbon Fund Framework, and that were recorded in reports and audiovisual records of the fifteen regional workshops that were considered in the development of the Strategic Environmental and Social Evaluation (SESA) of the ENCCR, and that reflects general considerations for the approach that has been taken at the SDB.



<sup>27</sup> An important part of the answers indicates that they were willing to do so, since they value the benefits that by their nature, do not allow the allocation of resources from owner to owner, for more information on this background see Regional Reports (15) and audiovisual records of the ENCCR's formulation process. Regional Reports and SESA Workshop audiovisual records. Available at: <http://www.conaf.cl/nuestros-bosques/bosques-en-chile/cambio-climatico/enccr/>

Thus, the work developed under the ENCCRV for the SDB design, will allow that these resources are channeled through previously established processes which ensure:

- **Legality**

It is based in national and international legal framework, to which the country is attached, respecting the property rights, the indigenous rights and the legal provisions related to plant resources.

- **Engagement**

The participation of various national platforms in the field of climate change has been considered, as well as regional participation instances with Civil society organizations, indigenous peoples and academia, with the purpose to increase the diversity and relevance of the decisions regarding the use of the resources coming from results-based payments.

- **Legitimacy**

It is considered to count with various agreement and monitoring areas at different levels (national and local), where the decision-makers from different fields converge, in order to materialize the proposals contained in the ENCCRV and ensure the synergies with other government initiatives and demands in matter of climate change.

- **Effectiveness**

Incentives through the implementation of action measures in the territories allow to progress in modifying the behavior associated with deforestation and forest degradation, as well as in encouraging conservation and sustainable forest management, recognizing and respecting the beneficiaries organization and production forms.

- **Sustainability**

The proposed structure must enhance the country's climate change institutionality, avoiding the creation of parallel structures and programs, given that the current one has spaces to expand the engagement of other stakeholders and fields to be developed, promoting intersectorality in the management of the resources and national and regional scope approaches compatible with the ENCCRV.

- **Completeness**

In order to correctly balance the ENCCRV with the mitigation, adaptation and vulnerability to climate change needs, focusing on the territories, beneficiaries and technical prescriptions that are established for the implementation of the action measures, parameters of other environmental services will be considered that complement those of carbon, among them, it can be highlighted, water resources, biodiversity, soil conservation along with others of socio-cultural characteristics.

In order to satisfy these characteristics, a structure and operation has been established in two levels, one national and the other regional (Figure 4), which will guide the implementation phase of the activities that are financed with the resources coming from results-based payments.



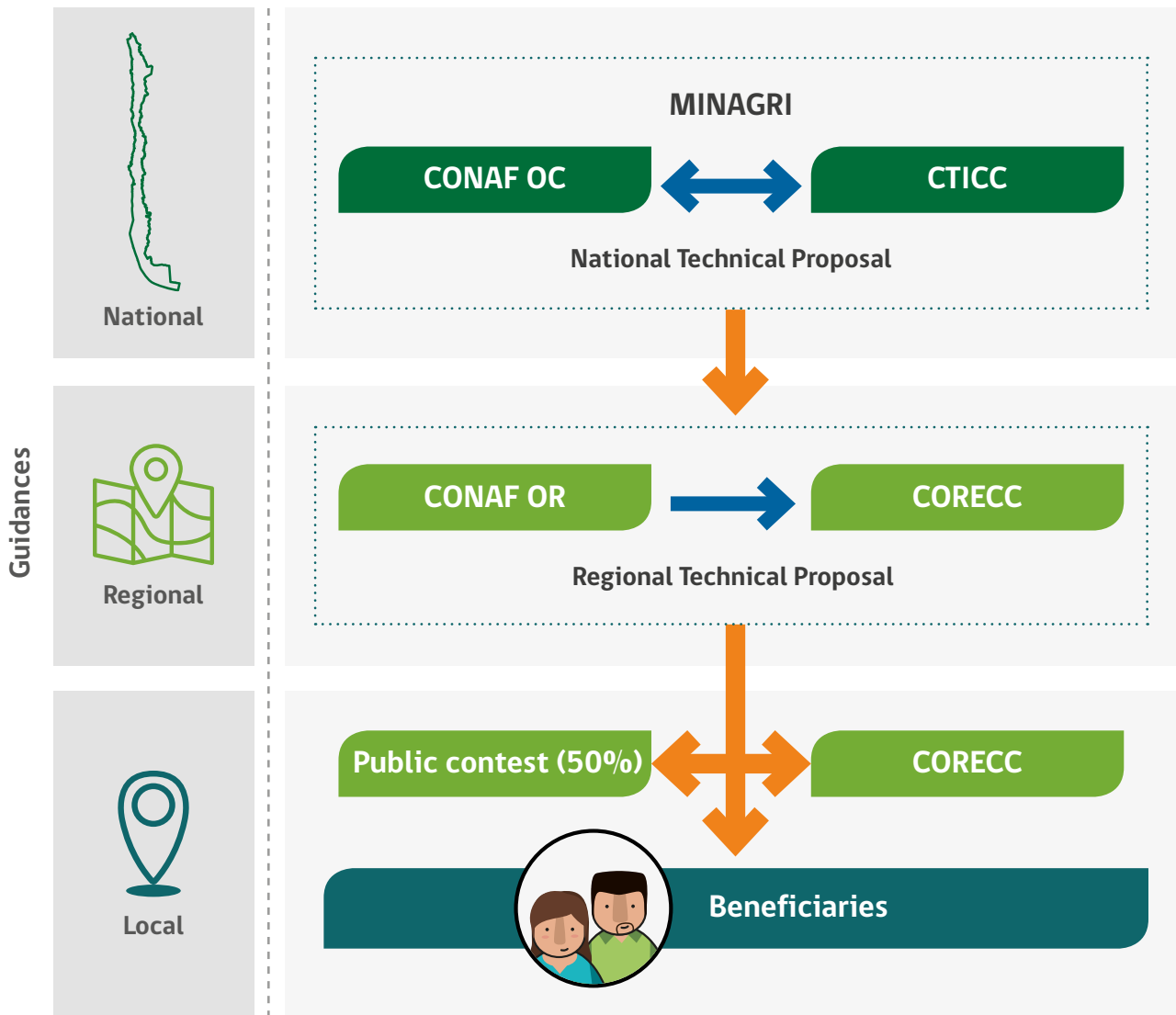


Figure 4. Structure and decision-making levels of the SDB for the ENCCR.

In the first instance, the definition and validation of a **National Technical Proposal** will be considered, which will be prepared by CONAF's Head Office and posteriorly be submitted to review and validation from CTICC (Figure 5). This proposal should consider at least the following aspects:

- ✔ Prioritization of the action measures of the ENCCR, which must be selected later at regional level.
- ✔ Financial allocation, for each region that contributed in emission reductions and/or increase of forest carbon absorption for which they received resources to make results-based payments.

### ► National Technical Proposal

The National Technical Proposal, among other background information, will define two fundamental elements associated to the SDB, the first one of them is the **prioritization of the direct action measures** in the ENCCR that are proposed to be implemented in regions with financing obtained from results-based payments. This will ensure that the resources coming from the results-based payments, associated to REDD+, are reinvested in the territories in forestry practices that are part of the direct action measures of the ENCCR. Equally the National Technical Proposal must have general technical requirements for the implementation of the projects, procedures to execute the forest extension, and other background information that allows to justify the proposal on the basis of its environmental, social, and economic relevance.

In second place, at regional level in each one of the Proposals at least the following elements must be included:

- ✓ Targeting the areas where the projects associated to the direct action measures of the ENCCR will be implemented.
- ✓ Specific description of the beneficiaries that will be prioritized at regional level.
- ✓ Adjustment in the distribution of the regional resources available in each one of the modalities.

In this instance, CORECC participate together with CONAF regional offices.

### ► Regional Technical Proposal

The Regional Technical Proposal, which must contemplate the national guidance's the CTICC will focus in: targeting the area in each region (communes or sectors) where the implementation of the projects, associated to the action measures of the ENCCR, are going to be focused, in second place, a more precise definition of the type of owners that are going to be prioritized under both modalities of implementation that are considered at regional scale, that is to say, the guidance by the CORECC and the direct allocation by means of public contest administered by CONAF.

The Regional Technical Proposal must specify to what action measures of the ENCCR, prioritized at central level, will be given more relevance in the respective regions

#### 4.1.1. Prioritization system to implement the action measures of the ENCCR

The prioritization instances of the areas where to develop projects associated to the direct action measures of the ENCCR, that are contemplated in the SDB, will be based on the "Prioritization System" that is being developed by CONAF, with technical support of the Natural Resources Information Center (CIREN, by its Spanish acronym) of the MINAGRI and, the Pontificia Universidad Católica (PUC, by its Spanish acronym) de Chile and IT consulting company Itasg, in the framework of the Land Sustainable Management Project (MST, for its acronym in Spanish) that counts with the Global Environment Facility (GEF) funding and technical assistance of the World Bank.



The objective of this system is to integrate data bases and decision-making and flexible result display tools that allow identifying priority areas and eligibility of beneficiaries, based on a selection of environmental, economic, and social criteria, to help in the decision-making process associated to the implementation of the direct action measures of the ENCCRV.

The design of this system began at the beginning of 2018 and is expected to be in operation by mid-2019 before the first results-based payments from the Carbon Fund are received. The development of this system considers the following stages:

- Identify criteria to prioritize areas and beneficiaries eligibility linked to the implementation of the action measures of the ENCCRV.
- Collect, analyze, and systematize data and information applicable to the identified criteria for prioritization, focusing on those developed based on studies performed in the readiness stage of the ENCCRV.
- Build conceptual and operational logarithms; and develop adequate and flexible tools for the prioritization of areas of implementation and beneficiaries' eligibility of the action measures of the ENCCRV.
- Propose areas for implementation and beneficiaries by applying the tools based in operational algorithms for the implementation of the action measures of the ENCCRV.

#### 4.1.2. Eligibility of potential beneficiaries

For the identification and prioritization of the beneficiaries in the SDB's framework for the ENCCRV the related definitions provided in the Law N°20.283, regarding recovery of the native forest and forestry development and the corresponding regulations, will be used as a basis.

Based on the above, the prioritization will be focused at first instance in the category called "Small Forest Owners". Equally, those beneficiaries classified as "Mid-size Owners" will be considered.

The prioritization considers aspect of environmental, economic, and social vulnerability to be specified at regional level, taking into account aspects such as gender, presence of indigenous peoples and vulnerable population.

For its part, the incorporation of Mid-size Owners in the SDB responds to the potential interest in establishing landscape-scale approaches, because this type of beneficiaries have larger area under their control, therefore the environmental and social benefits generated intervening this areas can have a positive impact in the surrounding neighbors, for example, improve the water regime in the basin, reduce the risk of natural disasters, among others.

The definitions established by the Law N°20.283 in this case correspond to the following:

- **Small Forest Owners:**

The person who has a title of ownership of one or more rural properties with a total surface area not exceeding 200 hectares, or of 500 hectares when these are located between Regions I and IV, including XV; or of 800 hectares for properties located in the Lonquimay commune, in the IX Region; in the Palena province, in the X Region; or in the XI and XII Regions, whose assets not exceed the equivalent of 3.500 unidades de fomento; that its income comes mainly from farming or forestry and that it works directly the land, in its property or in another property of third parties.

It will be understood included in small forest owners the **agricultural communities** under the force of law N° 5, of 1968, from the Ministry Of Agriculture; the **indigenous communities** regulated by law N°19.253; the communities on common goods resulting from the Agrarian Reform process; rain fed companies formed according to article 1° of the decree N° 2.247, of 1978, and the companies referred

to in article 6° of the law N° 19.118, provided that, at least, 60% of the social capital of such companies in held by the original partners or of people that have the quality of small forest owners, as certified by the Agricultural and Livestock Service<sup>28</sup>.

● **Other stakeholder:**

Group of owners that considers all of those that do not comply with the category of small forest owners defined above.

- **Mid-size Owner:** Category that groups those that do not comply with the criteria of the Forest Consortium, nor the Big Landowners, neither the Small Forest Owners.

It is important to highlight that in the National and Regional Technical Proposals for the SDB, Forest Consortiums will not be eligible, corresponding to societies which are related to mayor economic groups (such as Celulosa Arauco y Constitución, Compañía Manufacturera de Papeles y Cartones-CMPC or Masisa S.A.).

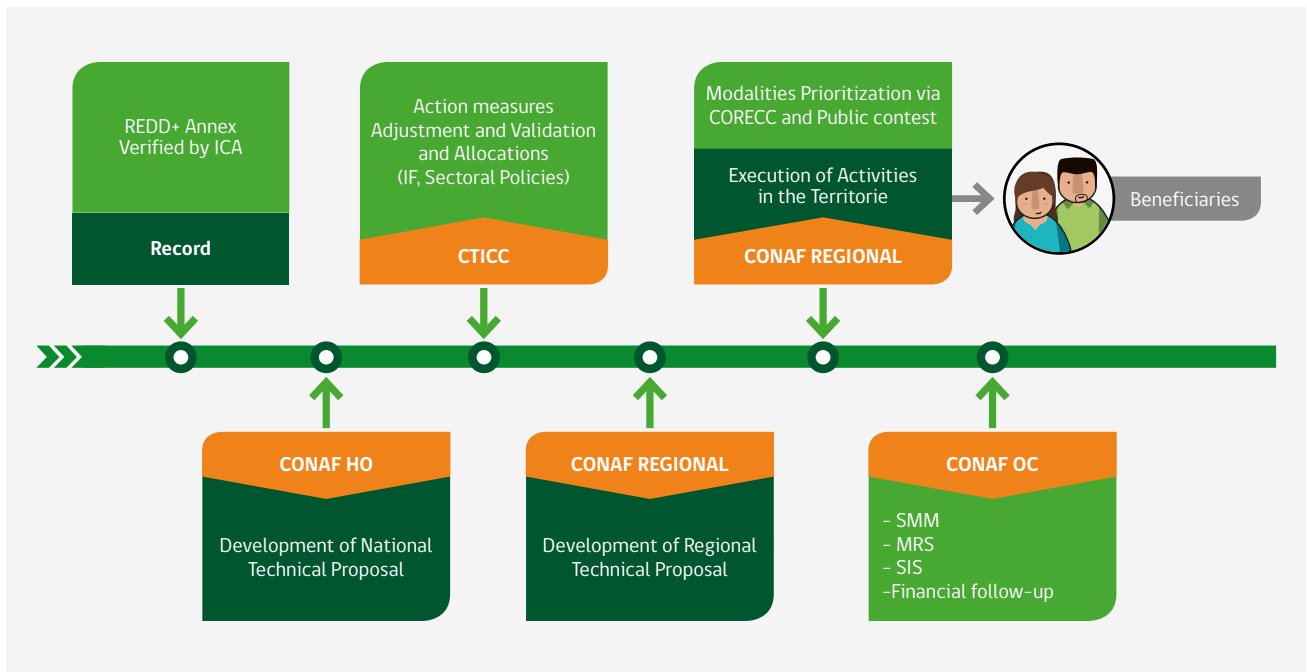


Figure 5. Management Process of the National and Regional Technical Proposal.

<sup>28</sup> Only for the purposes of the provisions of the third paragraph of article 22 and the first paragraph of article 25, it would be understood that a small forest owner to be one who meets the requirements established in the first paragraph and who has acquired the status of regular holder in accordance with the provisions of Decree-Law No. 2.695 of 1979. This circumstance shall be evidenced by a copy of the registration of the resolution that granted the regular possession of the property of the corresponding Real Estate Conservator.



## 4.2. SDB Structure and Process

### 4.2.1. Procedures at central level

In this level the guidance process is described starting from the arrival of the funds at CONAF Head Office (OC, by its Spanish acronym), process that is carried out prior to the administrative steps that are proper of the state structure of Chile.

Once the income of the financing has been made according to state regulations and procedures and with the objective to assure the engagement of the main stakeholders of the institutionality for the climate change of the country, the aim is to provide the SDB of a decision-making body to manage these resources with a public policy approach at national level, thus giving subject matter transversality and intersectorality to the approaches and decisions that are taken in a more strategic aspect. In this logic the relevant institutionality bodies of the country for the climate change are involved (Figure 4), to adjust and validate a National Technical Proposal.

#### i. Inter-Ministry Committee on Energy and Climate Change (CTICC)

The role to develop this proposal is in the hands of CONAF HO, specially the UCCSA –as REDD+ Focal Point– and its different internal technical units of the Corporation. The proposal will be submitted to review and validation of the Inter-Ministry Committee on Climate Change (CTICC) of the MINAGRI, which has a more transversal role, being an internal working group of the Ministry where all of the Public Services that depend on it participate, and that implement and manage the forestry development policies and instruments.

The CTICC was established on April 17, 2015 by Ordinary N°275 of the Undersecretary of Agriculture, but it was not until December 4, 2017, by Decree N°360, of the Ministry of Agriculture that it was formally established. Its role is to coordinate the elaboration of national and international proposals and approaches of the MINAGRI regarding climate change and initiatives that link it. It is coordinated by the Office of Agrarian Studies and Policies (ODEPA<sup>29</sup>, by its Spanish acronym), and it is integrated by the Undersecretary of Agriculture, Agricultural and Livestock Service (SAG<sup>30</sup>, by its Spanish acronym), the Institute of Agricultural Development (INDAP<sup>31</sup>, by its Spanish acronym), National Irrigation Commission (CNR<sup>32</sup>, by its Spanish acronym), CONAF<sup>33</sup>, the Forestry Institute (INFOR<sup>34</sup>, by its Spanish acronym), the Institute of Agricultural Research (INIA<sup>35</sup>, by its Spanish acronym), CIREN<sup>36</sup>, the Foundation for Agricultural Innovation (FIA<sup>37</sup>, by its Spanish acronym), the Foundation for Communications, Capacity Building and Culture of Agriculture (FUCOA<sup>38</sup>, by its Spanish acronym), Agro Insurance Committee (AGROSEGUROS<sup>39</sup>, by its Spanish acronym), and any other entity or specialist with recognized scientific experience in climate change matters that the president of the Committee may decide to invite.

The objectives of the CTICC, express clearly: (i) advise the Ministry of Agriculture in the climate change policies formulation, (ii) support the ministerial management in international negotiations for climate change, (iii) promote policies that aim to generate improvements in the forestry and agriculture sector in climate change matters, (iv) and encourage and promote the generation of information and support systems in the decisions taken in this context. Specifically the role of the CTICC in the SDB will be to complement, improve, and finally endorse the National Technical Proposal, as well as support its implementation through the regional offices of services present in the territory, which will allow to complement these allocations and approaches with other initiatives of the same Ministry that have a similar scope of action.



<sup>29</sup> <http://www.odepa.gob.cl/>

<sup>30</sup> <https://www.sag.gob.cl/>

<sup>31</sup> <https://www.indap.gob.cl/>

<sup>32</sup> <http://www.cnr.gob.cl/>

<sup>33</sup> <http://www.conaf.cl/>

<sup>34</sup> <http://www.infor.gob.cl/>

<sup>35</sup> <http://www.inia.cl/>

<sup>36</sup> <https://www.ciren.cl/>

<sup>37</sup> <http://www.fia.cl/>

<sup>38</sup> <http://www.fucoa.cl/>

<sup>39</sup> <https://www.minagri.gob.cl/institucion/agroseguros/>

At the end of this process of contributions and validations, the approach of the SDB will strengthen in a substantial way and in consistency with the objectives that the country has set in related public policies instruments, like the recently approved PANCC (2017-2022) that fosters the creation of the CORECC, and for which, the SDB assigns responsibility for the targeting of financing as an outcome of results-based payments under the ENCCRV; progressing with the actions that are financed with the fulfillment of the forestry goals that the country established before the international community by means of its NDC.

The expected results to be obtained in this phase of revision and alignment of the National Technical Proposal are:

- ✔ Sectoral approaches and criteria (farming and forestry) and intersectoral integrated to guide the prioritization of the action measures of the ENCCRV, for its further implementation in the regions.
- ✔ Budgetary allocation for the regions and social financing for the SDB according to distributive criteria.
- ✔ Alignment and promotion of the sectoral guidelines in matter of climate change of the institutions that participate in the decision-making at central level, and that they have presence at regional level, specifically the CORECC, services from the MINAGRI and other Ministries of direct relation with the ENCCRV.

▶ **CONAF through the coordination of the CTICC, currently has informed to all the member Public Services regarding the preliminary background information associated with the SDB, as a complement to the bilateral efforts that are already are being executed in this matter with the Ministries of Treasury, MINREL and MMA.**

#### 4.2.2. Procedures at regional level

Chile has a political administrative structure based in regions, with a regional representation of the majority of the institutions that act at national level, which is strongly reflected in the public services related to the environmental and forestry and farming sectors. Accordingly, under the institutionality that has been set at regional level to address the topics associated to climate change, progress is made in giving greater autonomy and control over the approaches and policies that are implemented at this level. The design of the SDB recognizes that, giving importance to this level in the implementation of the ENCCRV and decision regarding the use of the financial resources within what the SDB and the national legal system permits.

Is for this reason that once that the National Technical Proposal has been validated by the CTICC, these guidelines are sent to the regions so the technical teams of the Regional Directorates of CONAF can prepare a Regional Technical Proposal based on the local reality and in the national guidelines, to start in that way the process of adjustment and validation of each one of the regions through the CORECC for its validation.

The expected results to be obtained in this phase of elaboration and validation of the Regional Technical Proposal are:

- Regional approaches and criteria integration (environmental and farming-forestry), to guide the selection of action measures of the ENCCRV identified in the National Technical Proposal.
- Focusing on regional areas where the associated resources with the SDB will be channeled.
- Description in greater detail of the beneficiaries that will be prioritized at regional level.



This background will allow to define the criteria that must be considered in the implementation of the modalities by which the activities will be implemented in the territory, such as technical and administrative requirements that will be demanded to the beneficiaries, among other background information.

## Regional Council on Climate Change

Once the guidelines have been established at national level, defined in the proposal at regional level, the process of validation with the CORECC begins, Council headed by the Regional Governor -representative of the President of the Republic in each administrative region-. The CORECC's will have the role of coordinating the regional proposal, ensuring that the guidelines emanating from the CTICC are faithfully reflected in the Regional Technical Proposal, and that, once the Proposals are socialized, defined, and made local, each Regional Office of CONAF establishes the financial planning and operates the system in the territory (Figure 5).

One strength of the CORECC is that they are a public-private instance at regional level, permanent in nature, conformed by representatives of the civil society, indigenous peoples, private sector, academics, municipal representatives and public services, so the decision-making, in this organization, is carried out by a transparent and participatory process, that includes the opinions and inquiries to stakeholders, considering already existing mechanisms, given by prioritizations that are done currently with promotion instruments, or focusing on forest extension programs, which allows to narrow the sectors and owners both at national and regional level.

Among the roles that the CORECC has, the strengthening of the regional and communal institutionality is included, to face the climate change; promote and facilitate the implementation of the sectorial plans of adaptation according to the local needs and priorities; include considerations and action on climate change in the territorial planning instruments and other public policies of regional and communal level and participate in the implementation of the PANCC 2017-2022, among other actions. The formation of the CORECCs has shown in Chart 2.

**Chart 2.** Establishment Dates of the CORECCs.

| Región               | Date of Establishment |
|----------------------|-----------------------|
| Arica and Parinacota | May 15, 2018          |
| Tarapacá             | November 17, 2016     |
| Antofagasta          | December 15, 2017     |
| Atacama              | October 20, 2017      |
| Coquimbo             | June 10, 2017         |
| Valparaíso           | December 6, 2016      |
| Metropolitan         | June 2, 2017          |
| O'Higgins            | October 30, 2017      |
| Maule                | October 13, 2017      |
| Biobío               | February 22, 2018     |
| La Araucanía         | July 31, 2017         |
| Los Ríos             | August 11, 2017       |
| Los Lagos            | October 18, 2017      |
| Aysén                | March 17, 2017        |
| Magallanes           | November 17, 2017     |

### 4.3. Flow of financial resources

For the resource management assigned to each one of the regions, a careful process has been established to be deployed through expedite procedures, formal and attached to national regulations, so they reach the final recipients and/or beneficiaries of the corresponding territories. These processes, even though they are parallel to the elaboration of the Technical Proposals, will go on complementing on a permanent basis, as the allocations and distribution modalities are defined in each one of the regions.

According to the experience gathered in the management of the resource that have been obtained in the framework of the ENCCRV, among others, the Readiness Fund of the FCPF stands out, where the World Bank has the role of Implementing Agency, and in the view that in the framework of the Carbon Fund the World Bank is the Trustee, it has been decided to propose that financial flow to manage the resources, because it is more solid in its requirements and in addition under this Fund, there is the greatest progress and perspective to obtain resources from results-based payments.

This process has allowed proving and managing successfully the resources from the FCPF in terms of execution and control, counting with the approval of national institutions related to the reception of international funds. In addition, when the transfer of funds is done through the Chilean Agency of International Cooperation for Development (AGCID, by its Spanish acronym), depending on the Ministry of Foreign Relations (MINREL), gives the financial flow specialized review and audit instances, given that, in general, the expense reports and financial management are subject to review, both from CONAF with special attention in the technical side, as from the AGCID focused in financial aspects, without that limiting their responsibilities nor increasing the bureaucracy in its management.



► Progress status of the procedures for receiving financing from the Carbon Fund

In October 25, 2017, by letter from the Executive Director of CONAF to the Executive Director of AGCI, a request was sent to begin the process of formalizing the joint work between the two institutions associated with the Carbon Fund. By Official Communication N° 2681 of November 8th, AGCI gave a satisfactory answer to that request, in view of the joint work that both institutions have done in the financial co-administration of the fund that have been used and leveraged for the formulation of the ENCCRV.

These necessary backgrounds for the implementation of ERPA, has made it possible to define the most appropriate mechanism and that

the participating institutions that are expected to manage the funds from results-based payments from ERPA.

In order to advance in this processes, AGCI, on November 30, 2017, submitted to the DIPRES the Official Communication N°2863, where it requests to such institution the NO Objection basis for the reception of funds coming from the Carbon Fund associated to the PRE of Chile, on December 13th through Ordinary N°2150 the satisfactory response was delivered by the DIPRES granting the No Objection basis.



AGCID is a public service created by Law N°18.989 of 1990, that is functionally decentralized with its own legal personality and capital, whose function is to capture, provide and administer international cooperation resources, that is headed and articulated by National System of International Cooperation of Chile, which is translated in the cooperation and facilitation between the international organizations and the institutions that will implement the resources, in this case CONAF.

The procedures reflected in Figure 6 below, identify the transfer and documents proposal for the financial and operational management of the resources since they enter the country until they are implemented in the territories.

With regard to the financial flow specifically associated to results-based payments from the Carbon Fund, it is proposed that the World Bank disburse those resources after the signature of the Tripartite Agreement<sup>40</sup>, for which, the latter opens two bank accounts, one in dollars for its reception and the other in pesos for its transfer to CONAF.

In the Tripartite Agreement it must be specified the general scopes of the financing, like the amounts involved, the periodicity of the disbursements, the products that the country will compromise so the disbursements are executed, responsibilities, regulations that will rule for its administration, use and expense reports, general technical aspects, and roles among others.

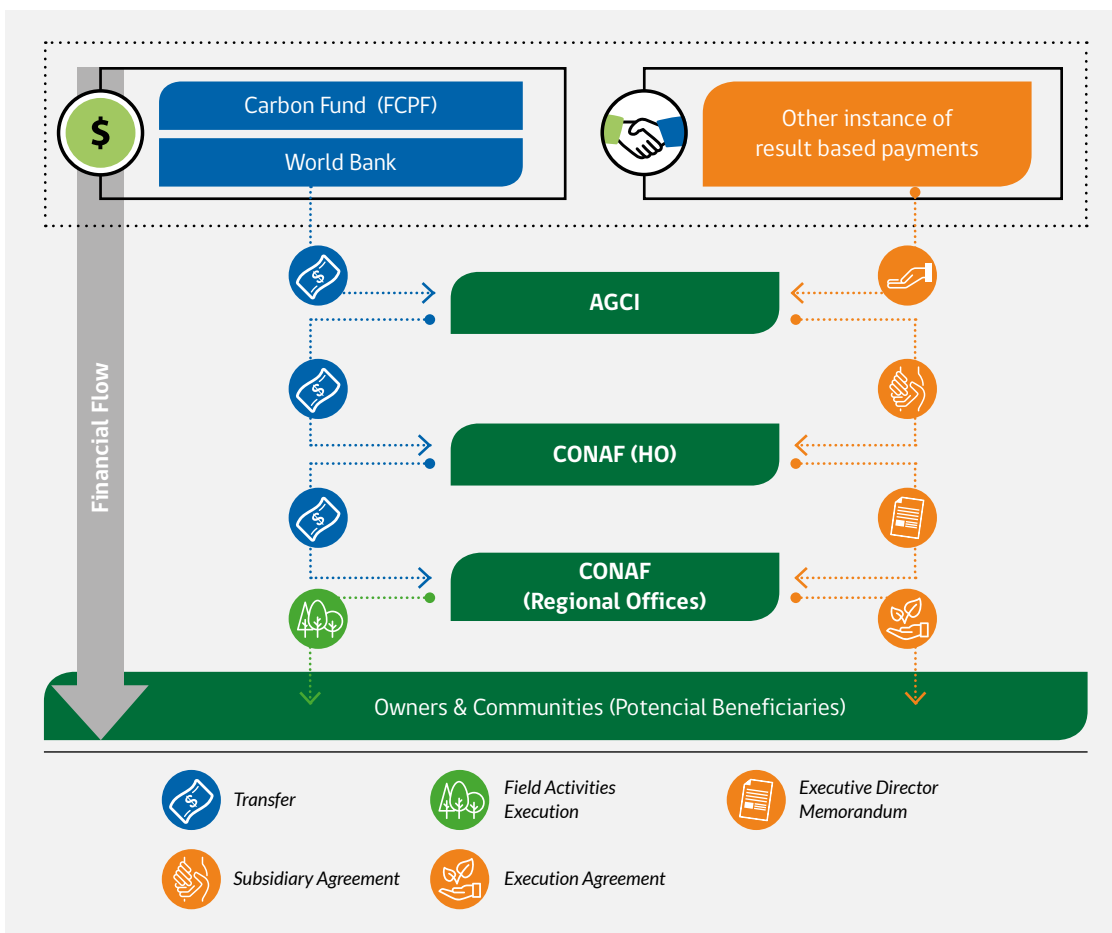


Figure 9. Financial management proposal and its institutional arrangements associated to the SDB.

<sup>40</sup> The name "Donation Agreement" has not been used with the purpose to characterize the nature of the funds coming from the Carbon Fund, this name has been adopted under the financings of the FCPF associated to Readiness, which simply refers to that is a non-refundable fund. In the Carbon Fund framework, could possibly have a different name more appropriate to the financial operation linked to ERPA.

After the signature of the Tripartite Agreement and the acknowledgement by the CGR, it proceeds to establish the administration of resources between AGCID and CONAF signed to transfer the funds from its bank account in Chilean pesos to the bank account in Chilean pesos that CONAF has to open exclusively to receive these funds. This is the procedure that has been used for the FCPF funds and those coming from the Swiss Cooperation, which has allowed for greater order and control over the resources as they have co-responsibility; procedures that are also promoted, in addition, by the Office of the Comptroller General of the Republic of Chile CGR, by its Spanish acronym), and by the Budget Office of the Ministry of Treasury (DIPRES, by its Spanish acronym), for this type of operations.



► **Office of the Comptroller General of the Republic of Chile**

The Office of the Comptroller General of the Republic of Chile (CGR) has a key role in the entry of international financing to public institutions, being the State body that oversees the compliance to the regulations of the administrative acts of the public bodies. For the purpose of a payment agreement by emission reductions, such as that of the Carbon Fund, must ensure, among other things, that the use of the resources, within CONAF and AGCI is in accordance with the administrative law of the Chilean State.

It is important to note that in order to trigger the entry of international funds, like those associated to the ENCCRV, there must be a previous, general, and mandatory legal control, proper of the Chilean institutional system, that in matter of legality and constitutionality is executed by the CGR, regarding the decrees and resolutions that authorizes the receipt of the financing, either coming from a donation, as it was the case with the financing of the Readiness Fund of the FCPF, or coming from performance-based payments associated to the Carbon Fund. These milestones are translated into the so-called "Acknowledgement", which gives presumption of legality of the administrative acts involved for the implementation of that fund, for which the CGR gives its approval to the Donation and Subsidiary Agreements prior to the entry of the resources.

For internal management of the resources between the HO of CONAF and the Regional Offices that receive the financing, as well as for its implementation, the CGR performs post-use audit processes, which are complemented with its regulatory role for all the public institution of the State.

Link: <https://www.contraloria.cl>

The Tripartite Agreement, in addition considers aspects over in the obligations of AGCID and CONAF in the administration of such financing and in the description of the products, associated to the implementation of the activities and the use of resources.

The financial flow that is executed in the framework of the PRE will be managed by the HO of CONAF, which in turn will open accounts in each one of the regions that are part of the accounting area or others that will be added in the future, so that they can execute the actions defined. These allocations that are derived from the National Technical Proposal, and will be further elaborated with the regional approach,

will be mandated formally by the Executive Director of CONAF to each one of the Regional Directors that receive the financing, by a Memorandum, formal written media subject to Law N°20.285 of transparency for public knowledge and control by the CGR available for all the public services in the country.

The monitoring of the actions that are being implemented on the field, as well as of the financial managements that are demanded will be CONAF's responsibility, and of its different offices at central and regional level, which will follow the indications internally established for the financial implementation, given mainly by the Administrative and Financial Procedures Manual of the ENCCRV<sup>41</sup>, that rules the specific management of international funds that enter CONAF as Third Party Funds.

Finally, for the implementation of the activities on the field, Agreements with owners must be established, being these natural or legal persons (communities, or other institution like municipalities, NGOs, among others) that wish to participate in the implementation of the activities, independently of the modality in which the resources are assigned. These Agreements must have, with differences according to each modality adopted and to the type of owner, the following elements:

- Identification of the beneficiary(ies), being these natural or legal persons.
- Commitment and responsibility of the Beneficiary(ies) and the Regional Office of CONAF.
- Technical, administrative, and budgetary background information (proper to each modality).
- Brief characterization of the area to be intervened (if applicable).
- Technical description of the intervention (activities, monitoring, environmental and social considerations, etc).
- Implementation planning.

The current terms planned for the abovementioned actions, associated exclusively for the case of financing coming from the Carbon Fund, are the ones shown in Chart 3.

**Chart 3.** Estimated terms for the institutional arrangements for the receipt of financing from the Carbon Fund.

| Activity  | Responsible Institution | Minimum Term  | Maximum Term    |
|---|-------------------------|---|-----------------|
| Letter of request from CONAF to AGCI for co-administration of the Resources coming from ERPA                    | AGCID y CONAF           | Carried out. Official Communication N°2681 from AGCI to CONAF, November 8 <sup>th</sup> . |                 |
| Letter from AGCI to the DIPRES requesting No Objection basis to receive and administer the resources from ERPA. | AGCID y DIPRES          | Carried out. Ordinary N°2150 from DIPRES to AGCI, December 13 <sup>th</sup> .             |                 |
| Elaboration and Signing of the Tripartite Agreement between World Bank, AGCID and CONAF                         | AGCID, CONAF y BM       | 7 weeks   | 12 weeks        |
| Acknowledgement from CGR and DIPRES of Tripartite Agreement.  | AGCID, CGR y DIPRES     | 5 weeks   | 9 weeks         |
| Opening of Bank(s) Account(s) in CONAF.   | CONAF                   | 2 weeks   | 3 weeks         |
| <b>Total</b>  |                         | <b>14 weeks</b>   | <b>24 weeks</b> |



<sup>41</sup> Administrative and Financial Procedures Manual of the ENCCRV48 Document available at: <https://www.enccrv-chile.cl/descargas/publicaciones/707-manual-de-procedimientos-pc/file>





► **Budget Office (DIPRES) of the Ministry of Treasury**

Prior to the incoming of the financing from international funds, the Agency for International Cooperation of Chile (AGCI), must request the No Objection basis to the Budget Office (DIPRES), in view that the fact that this institution under the Ministry of Treasury has the role of acting as the State's financial auditor, and therefore all the budgetary allocations from the public organizations are under its supervision and control. This requirement has been required in other occasions for international financing associated to the ENCCRV, therefore is a procedure with predictable terms and regulated administrative acts.

Link: <http://www.dipres.gob.cl>

## 4.4. Management and allocation of resources to regions

### 4.4.1. Resource management in regions

All the actions carried out under the associated financing to results-based payments for REDD+ in the SDB's framework of the ENCCRV, will be implemented in close linkage with the existing incentives in the forestry management instruments administered by CONAF and others of livestock, agricultural and environmental characteristics that other public entities coordinate, with the purpose of enhancing and establishing synergies that increases the territorial impact of the financial resources available.

To protect that, the SDB will operate according with two modalities (Figure 7) based in the implementation of the action measures of the ENCCRV (Annex 6.1); the first one of them will be the targetting of activities by the CORECCs with direct implementation by each one of the Regional Offices of CONAF, which objective will be:

- ☑ Implementation of the activities in areas prioritized by national and regional associated with the action measures of the ENCCRV.

The second modality will be through grant application process administered by each of the Regional Offices where different owners can voluntarily access to financing coming from results-based payments to implement actions in their plots. This modality seeks:

- ☑ Broaden at regional level, the activities that are implemented under the CORECC's prioritization, to other beneficiaries that are interested in the implementation of forestry activities in their plots.

For both modalities, a preliminary set of variables and criteria are considered, which will be further defined in both levels as appropriate, at general guidelines level for the National Technical Proposal, and in another more specific for the development of the Regional Technical Proposal. These preliminary guidelines will be aligned with the definition of the activities that will be proposed to the CORECCs, and to the basis of the entry requirements for the grant application process (Chart 4). In compliance with national legislation, in preliminary terms, the eligibility requirements both for the projects prioritized via CORECC or for regional grant application processes, consider the following aspects:

- ✔ **Formal Requirements:** Legal aspects regarding the ownership of the land of those who are applying as owners, whether individual or collective, or that present another type of tenure.
- ✔ **Alignment with the action measures of the ENCCRV:** To give more objectivity and coherence to the SDB with the prioritization at national and regional level, with the public policy instrument that the ENCCRV is.
- ✔ **Technical and budgetary feasibility:** It is reviewed that the proposal is technically feasible and financially doable with the resources available.

**Chart 4.** Preliminary set of variables and criteria for the technical Proposal elaboration.

| Variable  | Criteria   |
|---|--|
| <b>Territorial Variable</b><br>Specific need of a region or smaller territorial unit                                | 1.- Formal articulation of local actors.<br>2.- Beneficiaries that are from extreme zones of the country.<br>3.- Solutions of communal scope or higher. (Example, Preventive forestry urban-rural interface. IF3).<br>If three are achieved it has 100% of the attribute.  |
| <b>Indigenous Variable</b><br>Communities, organizations or individual needs of the 9 recognized indigenous peoples | 1.- Involves as beneficiaries persons, communities, indigenous association or organizations.<br>2.- Involves as owners persons, communities, indigenous association or organizations.<br>3.- Enhances ecosystems and/or sites of cultural or religious significance in the indigenous worldview, as well as other types of spaces or areas of ancestral use.<br>If the three criteria are achieved it has 100% of the attribute. |
| <b>Environmental Variable</b><br>Ecosystem conditions of the territory and priorities that determine their care     | 1.- Is in the areas defined as priority for the implementation of the direct action measures.<br>2.- Considers the recovery of degraded soils.<br>3.- Adds the protection and/or promotion of other ecosystem services, as water supply and regulation, biodiversity, culture, etc.<br>4.- Restoration of areas affected by forest fires.<br>If the 4 are achieved it has 100% of the attribute.                                 |
| <b>Forestry Variable</b><br>Linked to forest as a natural resource  | 1.- Scarce formation and/or species in conservation category<br>2.- Enhance not non-timber products.<br>3.- Reduce forest fragmentation.<br>If the 3 are achieved it has 100% of the attribute.  |
| <b>Gender Variable</b><br>Privileges and/or enhance the role of women in forest development                         | 1.- Involves as beneficiaries women in a specific and different way.<br>2.- Involves as plot owners women and women organizations.<br>If two are achieved it has 100% of the attribute.  |

It is established that the funds allocated to the regions will be equally distributed equally for each of the modalities indicated, that is, 50% for public bidding and 50% for projects prioritized by CORECC.

## i. Modality prioritized by the CORECC

These resources will be focused according to what the CORECC resolve, for the implementation of the action measures of the ENCCRV, that are prioritized according to the needs of each region agreed on the same CORECC itself, based on the Regional Technical Proposal provided by the corresponding Regional Director of CONAF, that will consider prioritized areas at regional level, and according to the identification of the positive impacts and potential environmental, social and economic risks.

Under this modality the CORECCs, will be the ones that at the last instance determine and prioritize the projects to be developed aligned with the eligible action of the ENCCRV and the areas where the actions, financed with the resources coming from performance-based payments, will be implemented.

CONAF's Regional Office together must grant that the Regional Technical Proposal allows to align locally the technical requirements defined in the ENCCRV's framework for each action measure, so once defined, it will be CONAF's regional Offices responsibility, to elaborate the Project Portfolio that results from the prioritization carried out by the CORECC.

This Portfolio must be presented by the regional Offices to the HO of CONAF, specifically to the UCCSA through a "Project Design Sheet", individualizing in each one of them the core idea and the general background information for its implementation, including a cost determination. These Sheets will be submitted to review and adjustments that allow to establish the implementation feasibility of the Project Portfolio, together with the compliance to the National Technical Proposal and Regional Technical Proposal, as well as with the ENCCRV; for that, once the implementation feasibility has been established, request to the regional team the formulation of the "Project Document"<sup>42</sup> for each one of the Sheets for the final development of the initiatives to be implemented.

In addition to the technical, budgetary and administrative background information, each one of the Projects will be implemented considering the guidelines and regulations established in the Environmental and Social Management Framework (MGAS, for its acronym in Spanish) of the ENCCRV, instrument that has as a goal mitigate possible negative impacts that could be generated in the implementation phase of the ENCCRV.

The stages involving the MGAS of the ENCCRV that will be addressed during the preparation of each one of the Project Documents will correspond to the following:

- Relevance of environmental and social assessment.
- Alternative analysis of the project operation.
- Socio-environmental characterization of the influence area of the Project
- Risk, impacts and benefits identification.
- Socio-environmental characterization of the impacts.
- Project categorization.
- Safeguards identification and activation.
- Mitigation measures identification.
- Definition of the follow-up and monitoring system for the mitigation measures.

Once each Project Document is internally evaluated and validated individually in CONAF, by the corresponding departments and units, the ones accepted will be derived to the regions, to give account to the regional participatory Instances, and begin its implementation. Later the dissemination and follow-up milestones will be set with the CORECC and the regional participatory Instances, as a public account type, regarding the progress status of the projects under this modality, and also those through grant application process.



<sup>42</sup> Both formats, the Project Design Sheet and the Project Document, can be found in the MGAS document of the ENCCRV, in the following link. Link: <http://www.enccrv-chile.cl/descargas/participacion/20-mgas-version-0/file>



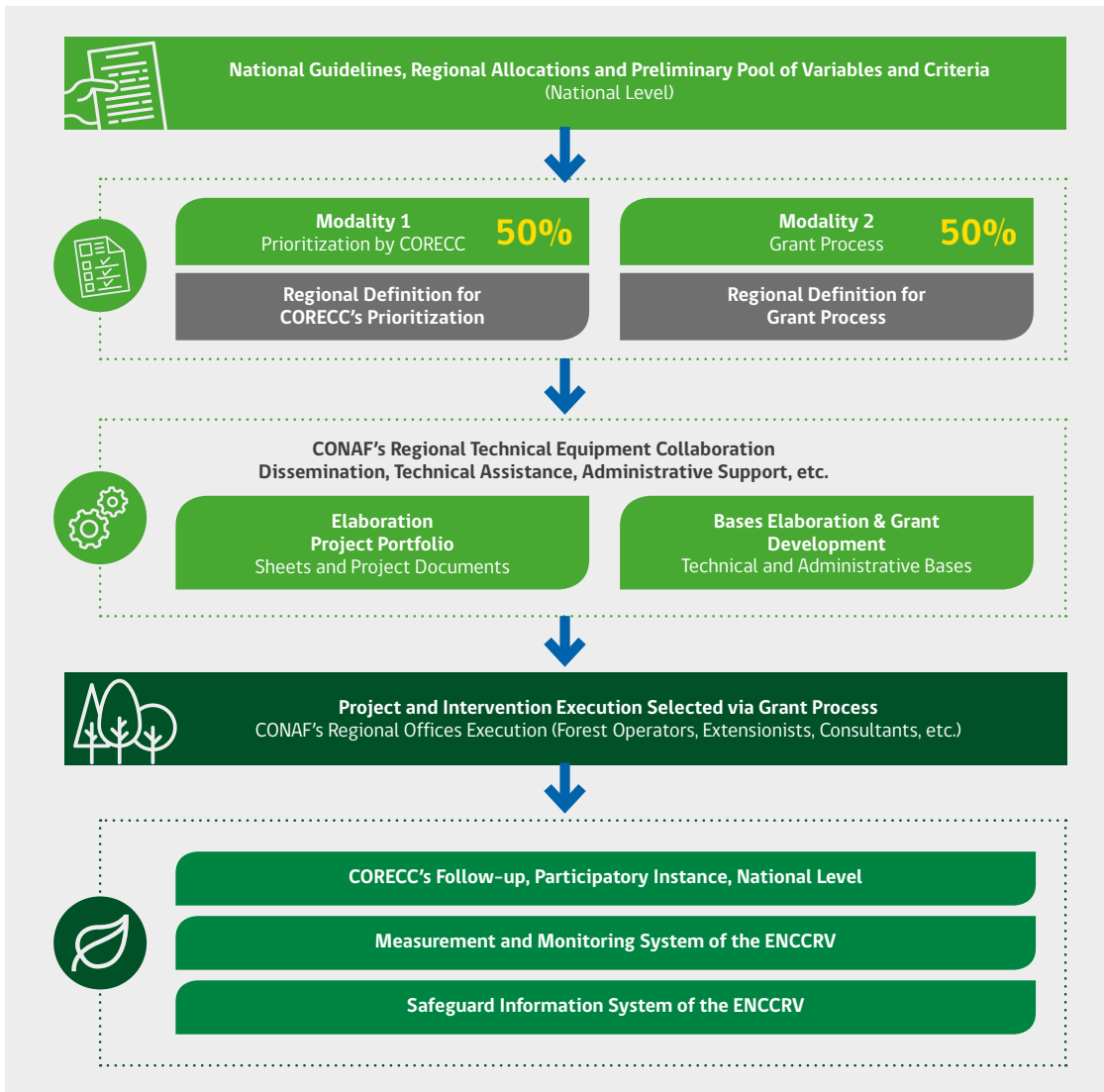


Figure 10. Financing modalities prioritized by the CORECC and Grant application process.

## ii. Modality executed by grant application process

The second modality of distribution will be performed through a grant application process administered by the regional Offices of CONAF, based on technical, environmental and socioeconomic criteria, similar to the way in which the Contestable Fund of Law N°20.283<sup>43</sup> operates. The difference is that the financing will be available prior to the field activities execution and not how it occurs with the incentives of the Law N°20.283, where it is paid to each owner after a compliance review carried out by CONAF's officials. In addition it may finance activities that are currently not included in any section of the Law, such as afforestation.



<sup>43</sup> To have a better idea how this contest works the link, to the Basis of the First Contest 2017 for Small Forest Owners and Other Stakeholders, that CONAF developed this year, is attached. Link: <http://www.concursolbn.conaf.cl/login/bases.php>

These activities will be directly supported and implemented by CONAF, through the contracting of forest operators, extensionists<sup>44</sup> or external units of technical assistance at regional level, depending on the type of activities to be carried out.

Chile has developed regional financing experiences of this nature, for example, the National Fund for Regional Development (FNDR, by its Spanish acronym), in which contest have been performed for applications and implementation of activities in the territories. Once these Bases are elaborated by each one of the regional Offices of CONAF -considering the management elements of the national and regional technical Proposals- they will be published in regional media and in the media that MINAGRI and CONAF have.

All the projects that apply, will do it based on the background information collected in the execution of the projects of early implementation in many regions, in the framework of the ENCCRV. For that, technical and administrative Bases are developed for applying, that establishes the administrative requirements also the technical backgrounds of monitoring, environmental, safeguard treatments, budgetary quantification of the intervention and financing application and co-financing in kind that the owner will provide, such as labor force, equipment, etc.

Having into account the Bases that are currently used for the contest associated to Law N°20.283 and other similar experiences, some of the main elements that will be required in the Bases, and that will be specified once elaborated, are shown in Chart 6.

**Chart 5.** Preliminary content of the Bases under Direct Allocation Modality.

| General content for the Bases under Direct Allocation Modality <sup>45</sup>                         |  |
|--|--|
| Administrative Bases   | Technical Bases  |
| a. Objectives of the grant application process.  | a. Technical approach of the grant process.                |
| b. General description of the nature of the grant process.   | b. Technical definitions.                                  |
| c. Restrictions y maximum amounts to be financed.  | c. Action measures and activities to be financed.          |
| d. Available fund for the call.  | d. Technical description of the activities to be financed. |
| e. Requirements for the applicant(s).  | e. Mapping requirements.                                   |
| f. Application channels (internet and paper)   | f. Environmental analysis.                                 |
| g. Grant process (present application, inquiries, terms, opening, admissibility, withdrawals, etc.). | g. Social analysis.  |
| h. Project appraisal and awarding  | h. Monitoring.   |
| i. Presentation of plots plans (when necessary).   | i. Budget.   |
| j. Project withdrawal and background returns.  | j. Activity planning.                                      |
| k. Calendar of the stages of the grant process.  | k. Table of Values for Action Measures                     |
|  | l. Annexes   |

This approach is complementary to the emphasis that the CORECCs and the regional participatory Instance will give, been coherent with what was stated in the participatory workshops of formulation and evaluation of the ENCCRV, where the majority of the participants, wish different alternatives or ways to implement the projects framed in the action measures of the ENCCRV in their territories.

To this contestable fund individual or collective land owners can apply<sup>46</sup> that have not been prioritized by the CORECCs, with the purpose of broadening the positive impact at regional scale, because it shows



<sup>44</sup> Forest Extension Project of CONAF. Link: <http://www.conaf.cl/nuestros-bosques/bosque-nativo/asistencia-profesional/>

<sup>45</sup> This list of content is preliminary and must be adjusted -as well as its content- once the Bases for the grant process are prepared.

<sup>46</sup> Emphasizing in small and mid-sized owners.

the existence of an specific interest of the applicants, which, among other benefits reduces the reversion risks, increases the engagement of the communities and provides an independent view to the initiatives proposed.

This allows incorporating an additional factor in the SDB, by generating window of financing that picking the interest of owners or private organizations to carry out forestry, environmental or productive activities linked to some action measures of the ENCCRV, which also will be assisted technically by the CONAF's team with fiscal budget.

The grant process considers to weigh the financing based on eligibility elements associated to equity, inclusion and technical relevance aligned with the environmental and social safeguards considered in the MGAS of the ENCCRV.

For the modalities above described, operational manual are generated, which will fix the guidelines for the benefit-sharing, which will be carried out after the signing of the ERPA.

#### 4.4.2. Allocation of financial resource to regions

As indicated, part of the resources from results-based payments will be used by CONAF at central level, which amount has been estimated in 20%. The purpose of the 20% will be to ensure the adequate technical, administrative and financial management of the resources, do maintenance work in related systems (records, MRV, SIS, among others), and also implement those facilitative action measures of the ENCCRV, that are of direct responsibility of the institution (audit, technical assistance to forest land owners, etc.). The details of the use of this 20% will also be subject to review and validation by CTICC.

For the 80% left, which will be completely assigned to the regions where the emission reductions and/or increase of absorption of forest carbon were generated, that led to results-based payments in the context of REDD+, similarly the guidances will be defined through the National Technical Proposal that is reviewed and validated by the CTICC. For this phase three criteria have been established, from which the different allocations are derived that will add up to the final amount assigned to each one of the regions (Figure 11). These criteria are:

- ✔ **Equity.** To homogenize and allow the normal implementation of ENCCRV's action measures in the different regions where it will operate, and those that will be added later, without their particularities (social, productive vocation, type of plant resources, etc.), affecting negatively or positively this first distribution, a base financing will be provided that levels out the efforts deployed by the technical teams and institutions in each region, as well as by the owners themselves involved, without limiting it to the specific capacities for reducing emissions and/or increasing forest carbon absorption of each one (Basal Allocation, 30% of the total).
- ✔ **Eficacia.** To encourage the correct use of resources in the territory, prioritizing the most cost-efficient activities of the ENCCRV, as well as field operation, a distribution criterion will be considered based on the performance measured in emission reductions and/or increase in carbon absorption generated at regional level (Performance Allocation, 45% of the total).
- ✔ **Solidarity.** Given that there may be catastrophic events of force majeure that affect regional performance associated to emission reduction and/or increasing forest carbon sequestration, for example forest fires, volcanic eruptions, plagues and diseases, among others, an allocation has been considered to alleviate these situations by avoiding that a region suffering from these phenomena reduce significantly the possibility of accessing resources from results-based payments, not only in the present but also in the future (Buffer Allocation, 5% of the total).



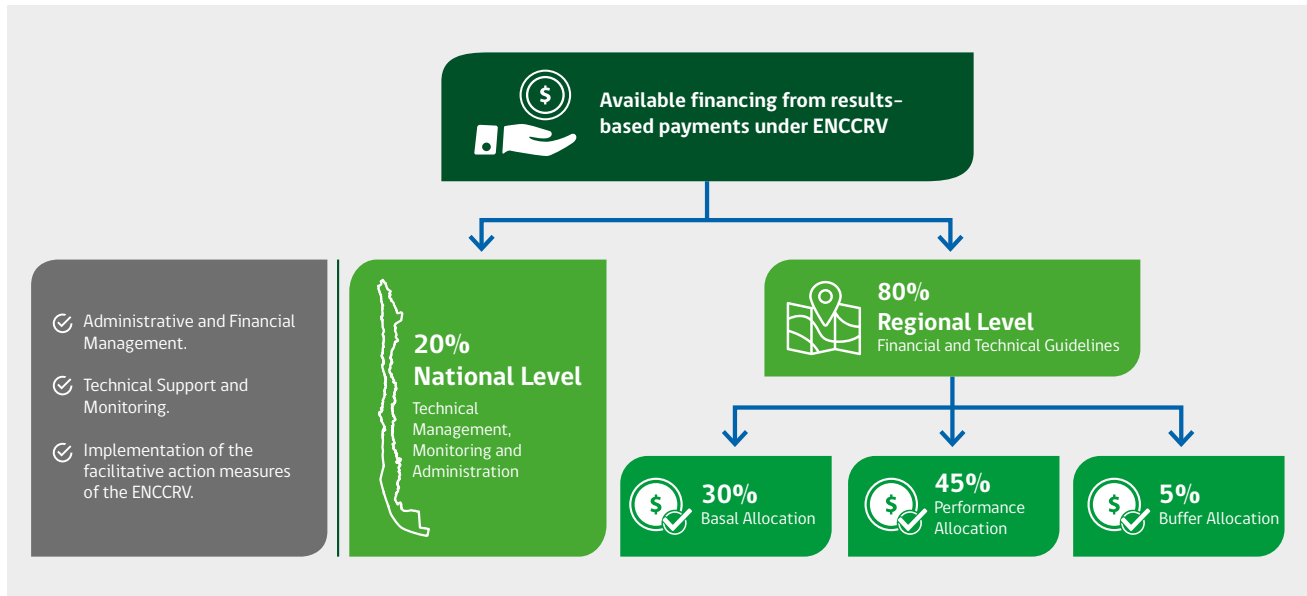


Figure 8. Resources distribution diagram at central and regional level.

With these criteria, the following categories of financial resource allocation and percentages have been defined for each of them, which together will define the total amount available per region to be used in its two modalities (Figure 8).

- ✔ **Basal Allocation.** This allocation operates based with an arithmetic criterion, where the percentage assigned under the criterion of Equity, will be divided in equal parts among the regions where the reductions and forest carbon sequestrations are generated, without distinction of any type.
- ✔ **Performance Allocation.** The second allocation, as indicated above, will be provided in function of the emission reductions and/or increase in forest carbon absorption generated in each of the regions, compared with the respective FREL/FRL. The allocation will be proportional between the amount of tons emissions reduced and/or increased absorption per region and the financing available after receiving the corresponding results-based payments. Parallel to this calculation, a percentage will be subtracted from the total, which will release financing for the buffer allocation.
- ✔ **Buffer Allocation.** The third form of allocating and constituting the total amount assigned to each region, has as a purpose to redistribute resources based on the total emissions divided by regional surface, equating those regions that, by any circumstances of force majeure<sup>47</sup> (fires, plagues or other situations), require more intense intervention and therefore of greater duration and cost.

<sup>47</sup> An extraordinary and unavoidable event beyond the reasonable control of the affected party, including, among others, fires, plagues and diseases, volcanic eruptions, storms and floods, shall be excluded those cases where the event could have been prevented or mitigated by the affected party.

Therefore, each region receives a total amount calculated based on the aggregation of the Basal, Performance and Buffer Allocations<sup>48</sup>, a total amount that will be allocated to each CONAF Regional Office. It has been estimated that of the 80% of total financing obtained, 30% will be managed through the Basal allocation and 45% through the performance allocation; finally, it is expected that at least 5% will be allocated to the Buffer allocation (Figure 8). To estimate, with real figures, how the distribution of these allocations will work in the National Technical Proposal, in Annex 6.2, a theoretical exercise has been carried out, without in-depth technical details, that allows to visualize the amounts that the regions could receive as results-based payments associated with the Carbon Fund. It is important to stress that this exercise does not correlate with the expected results for each region.

Finally, each regional office of CONAF that receives financing associated to results-based payments for REDD+ in the framework of the ENCCRV, must do an expense report periodically, to the CORECC, to show the way in which it manages the resources and on the consistency of the agreements previously adopted in these regional instances, according to the established in the operational manuals that each one of the allocation modalities will have.

This expense report will be UNFCCC public character and the HO of CONAF, through the UCCSA, will systematize the reports of each region to generate national reports that will present to CTICC, and will make them available to public means.



<sup>48</sup> If during the monitoring period corresponding to results-based payments, no force majeure events have been recorded, those resources will be added to the performance allocation.



# Final Considerations

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## Final Considerations

The SDB of the ENCCRIV has been conceived with an approach that allows establishing a decision-making platform and joint work in different levels fostering a transparent and balancing dialogue between actors of civil society organizations and institutions.

To give sustainability to this dialogue, as well as a correct integration with the public policies that have been promoted in the country in the climate change framework, a structure has been designed based in those sectoral governmental instances (CTICC) of the highest strategic level, where actions in the territories associated to the ENCCRIV will be prioritized and the financial allocations will be established to each region.

At regional level, an initial task has been established for CONAF's Regional offices. They, along with targeting beneficiaries and territories in each of their regions, should follow-up the implementation of activities by contributing to the dissemination and evaluation of the actions to be carried out in the territories, thereby to ensure the legitimacy of the ENCCRIV as an instrument of public policy relevant to the agricultural and forestry sector. It is considered important to underline the complementary role that will have with the CORRECCs, whose main role is to address the climate commitments on the Paris Agreement.

Considering the relevance of the regional management in the correct use of the resources coming from results-based payments of REDD+, in the framework of the ENCCRIV, it must be encouraged the conformation of stable multidisciplinary teams in CONAF that are capable of managing the resources and carry out the implementation of the activities in the territory efficiently. Likewise at central level a big challenge appears of implementing the coordination actions that implies to convene and achieve consensus among the different services, as well as adequately disseminating the procedures to follow for the correct development of the SDB, for example the Bases for the grant application process, Prioritization System of the ENCCRIV, among others.

Specifically, for the development of the background information necessary for the implementation of the actions in the regions involved under both modalities (1.- Direct Prioritization of the areas and beneficiaries, validated by the CORECCs; and 2.-Grant application process managed by the regional guidelines of CONAF), past experiences must be considered in the design and implementation of similar instruments, considering continuous improvement principles for a correct implementation of the financing available to carry out the projects that are prioritized.

The SDB design of the ENCCRIV, considers the international requirements associated to results-based payments schemes for REDD+. As well as the related experiences that have been developed in Chile in strict compliance to the legal and regulatory bases of the country, enhancing at the same time, the participatory instances that seek to give more legitimacy and robustness to the procedures that are carried out in this matter.



# Annexes

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# Annexes

## 6.1. Generic Activities to be financed by action measure and the non-monetary benefits expected

| Direct action measures of the ENCCRV  | Activities for each action measure <sup>49</sup>  | Non-monetary benefits <sup>50</sup>  |
|---|---|--|
| <b>MT.3.</b> Adjustments for the inclusion of owners with limited legal safety of land-tenure | <ul style="list-style-type: none"> <li>• Elaboration of registry with target group.</li> <li>• Activity planning at regional level.</li> <li>• Field professionals and lawyers contracting.</li> <li>• Document management.</li> </ul>  | Regularization of titles. Access to state promotion instruments, and access to private financing.  |
| <b>MT.4.</b> Forestation and replanting program in prioritized communes/ areas.               | <ul style="list-style-type: none"> <li>• Elaboration of technical, financial and planning backgrounds.</li> <li>• Input procurement.</li> <li>• Production or plant procurement</li> <li>• Installation, fence repair or individual protection.</li> <li>• Planting or direct sowing.</li> <li>• Fire protection.</li> </ul>  | Technical assistance, training, improved quality and availability of environmental services. Property investment (inputs), improvement of assets, possible jobs in the implementation of activities. |
| <b>MT.5.</b> Strengthening of ecological restoration program in prioritized communes/areas.   | <ul style="list-style-type: none"> <li>• Elaboration of technical, financial and planning backgrounds.</li> <li>• Input procurement.</li> <li>• Production of plant procurement</li> <li>• Installation, fence repair or individual protection.</li> <li>• Planting or direct sowing.</li> <li>• Forest cleaning, cutting, cleaning and pruning.</li> <li>• Fire protection.</li> </ul> | Technical assistance, training, improved quality and availability of environmental services. Property investment (inputs), improvement of assets, possible jobs in the implementation of activities. |
| <b>MT.6.</b> Environmental dissemination and education program.                               | <ul style="list-style-type: none"> <li>• Planning of activities at regional level.</li> <li>• Team contracting.</li> <li>• Input and graphic and audiovisual material elaboration.</li> <li>• Workshops and training sessions.</li> </ul>   | Training, community empowerment on technical and environmental elements, strengthening of the local governance, improving community partnership. Access to state promotion instruments.              |
| <b>MT.7.</b> Strengthening of forestry and environmental audit programs.                      | <ul style="list-style-type: none"> <li>• Regional level Audit Program coordination and planning.</li> <li>• Team contracting.</li> <li>• Dissemination input and activities.</li> <li>• Implementation of teams and systems.</li> </ul>   | Training in environmental and forestry legislation. Incentives to formalize commercial activities. Improvements in knowledge regarding government support for business activities.                   |



<sup>49</sup> These activities are general estimates of the sub-activities to be incurred for the implementation of each action measure, and may increase and decrease according to the activities estimated in each region and situation.

<sup>50</sup> To define general benefits in a general way, the PROFOR publication on the subject was used as a guide, among other things. PROFOR, 2015. Achieve Benefit Sharing in Forest-Dependent Communities. Document available at: [https://www.profor.info/sites/profor.info/files/distribuci%C3%B3n-beneficios-comunidades-bosques-73013\\_1\\_0\\_0.pdf](https://www.profor.info/sites/profor.info/files/distribuci%C3%B3n-beneficios-comunidades-bosques-73013_1_0_0.pdf)



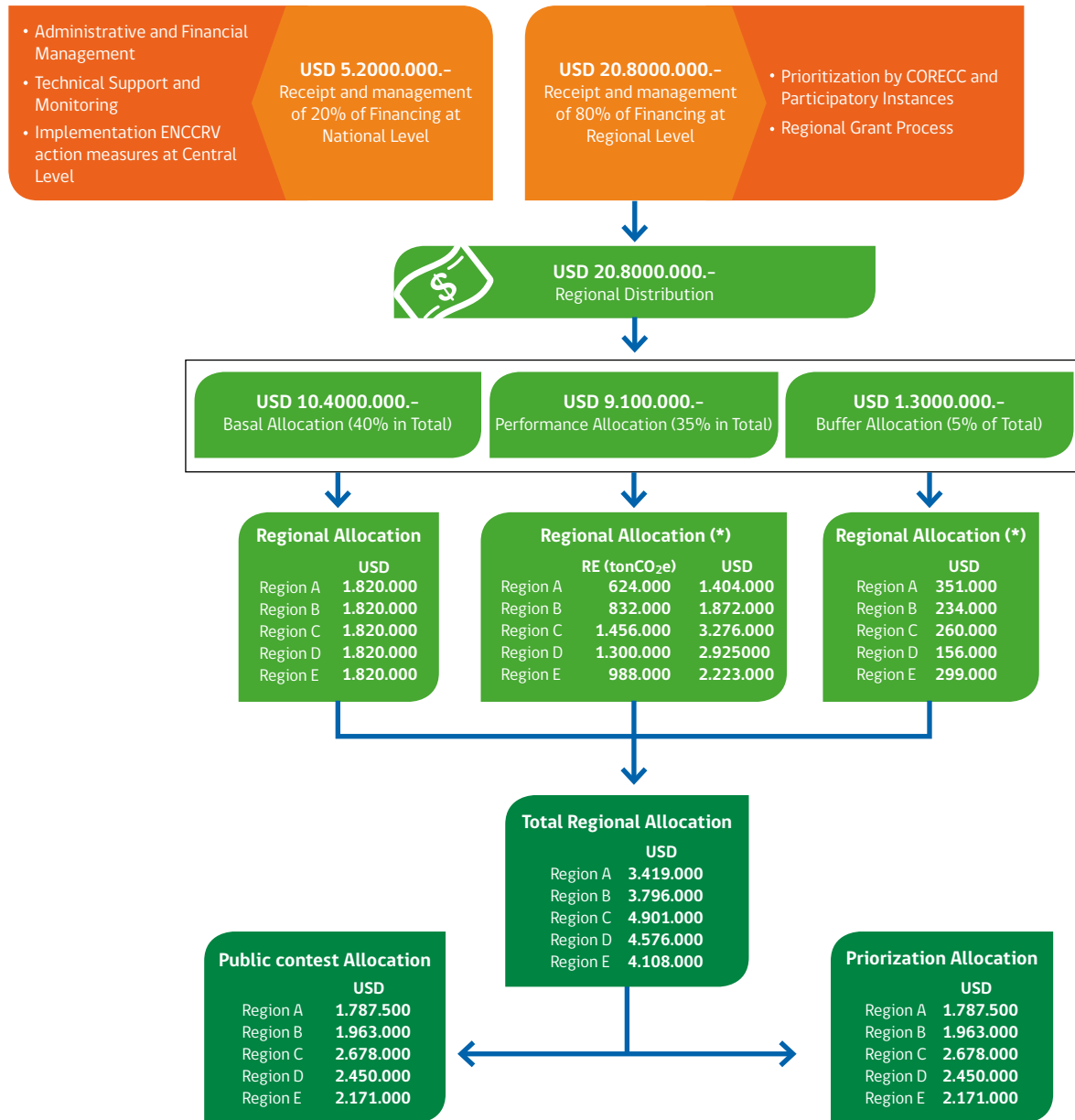
| Direct action measures of the ENCCRV   | Activities for each action measure <sup>49</sup>   | Non-monetary benefits <sup>50</sup>   |
|--|--|---|
| <p><b>MT.8.</b> Strengthening and updating of Management Plans for SNASPE areas in the context of the ENCCRV.</p>  | <ul style="list-style-type: none"> <li>• Regional planning and coordination.</li> <li>• Background information analysis and development.</li> <li>• Field visit.</li> <li>• Dissemination input and activities.</li> </ul>   | <p>Incorporation of the community in territorial planning. Rising of demands on ASP, better knowledge of state support for tourism activities, strengthening local governance. Collecting information on priority conservation variables and targets in SNASPE. Promoting the role of park rangers in detecting changes attributable to climate change.</p> |
| <p><b>IF.2.</b> Restoration program for ecosystems affected by forest fires.</p>                                   | <ul style="list-style-type: none"> <li>• Elaboration of technical and planning backgrounds.</li> <li>• Input procurement.</li> <li>• Production of plant procurement</li> <li>• Installation, fence repair or individual protection.</li> <li>• Enrichment and additional planting.</li> <li>• Cutting and cleaning.</li> <li>• Forest Fire protection.</li> </ul> | <p>Technical assistance, training, improved quality and availability of environmental services. Property investment (inputs), recovery of their assets, possible jobs in the implementation of activities.</p>  |
| <p><b>IF.3.</b> Preventive forestry program with emphasis on the urban-rural interface.</p>                        | <ul style="list-style-type: none"> <li>• Elaboration of technical, and planning backgrounds.</li> <li>• Input procurement.</li> <li>• Instalación o reparación de cercos.</li> <li>• Cutting and cleaning.</li> <li>• Forest Fire protection.</li> </ul>   | <p>Technical assistance, training, improved quality and availability of environmental services. Protection of environmental heritage and infrastructure (property, housing, production), creation of possible jobs in the implementation of activities.</p>   |
| <p><b>IF.4.</b> Strengthening of the "Communities Prepared for Forest Fires" Program.</p>                          | <ul style="list-style-type: none"> <li>• Coordination and planning with regional teams</li> <li>• Team contracting.</li> <li>• Input and graphic and audiovisual material elaboration.</li> <li>• Workshops and training sessions.</li> <li>• Field visit.</li> </ul>  | <p>Training, technical assistance more empowered and prepared communities on the dangers of IF, better relationship between public and private actors, strengthening of local governance. Protection of their infrastructure (property, housing, production).</p>   |
| <p><b>IF.6.</b> Alternative management and use of agricultural and forestry waste Technology Transfer Program.</p> | <ul style="list-style-type: none"> <li>• Coordination and planning with regional teams</li> <li>• Team contracting.</li> <li>• Input and graphic and audiovisual material elaboration.</li> <li>• Workshops and training sessions.</li> <li>• Field visit.</li> </ul>  | <p>Technical assistance, training. Machinery, reduction of land preparation costs, new business opportunities.</p>  |
| <p><b>US.1.</b> Institutional forest management program focused on public and private lands.</p>                   | <ul style="list-style-type: none"> <li>• Coordination and planning at regional level.</li> <li>• Background information analysis and development.</li> <li>• Field visit.</li> <li>• Dissemination input and activities.</li> </ul>  | <p>Improve the quality and availability of environmental services. Incorporation of the community in the territorial planning, rising of demands on ASP, better quality and availability of environmental services. Access to State Promotion Instruments, new business opportunities, environmental certifications for productive activities.</p>          |

| Direct action measures of the ENCCRV   | Activities for each action measure <sup>49</sup>  | Non-monetary benefits <sup>50</sup>   |
|--|---|---|
| <p><b>US.2.</b> Integrated system of tax regulation and exemption for the promotion of productive linkages</p> | <ul style="list-style-type: none"> <li>• Elaboration of registry with target group.</li> <li>• Activity planning at regional level.</li> <li>• Field professionals contracting.</li> <li>• Field visit.</li> <li>• Dissemination input and activities.</li> <li>• Workshops and training sessions.</li> </ul> | <p>Technical assistance, training, improvement in the public-private relationship of stakeholders. Tax exemptions, new business opportunities, cost reduction by producer association, better relationship between offeror and demanders (prices, payments).</p>  |
| <p><b>US.3.</b> Strengthening of the wood fuel program and the country's energy matrix.</p>                    | <ul style="list-style-type: none"> <li>• Elaboration of registry with target group.</li> <li>• Activity planning at regional level.</li> <li>• Field professionals contracting.</li> <li>• Field visit.</li> <li>• Dissemination input and activities.</li> <li>• Workshops and training sessions.</li> </ul> | <p>Technical assistance, training, technological improvements in biomass production, improvement in the public-private relationship of stakeholders, strengthening of local governance. New business opportunities, cost reduction by producer association, better relationship between offeror and demanders (prices, payments).</p> |
| <p><b>MG.1.</b> Damping strips for livestock farming.</p>  | <ul style="list-style-type: none"> <li>• Coordination and planning with regional teams.</li> <li>• Team contracting.</li> <li>• Input and graphic and audiovisual material elaboration.</li> <li>• Workshops and training sessions.</li> <li>• Field visit.</li> </ul>  | <p>Incorporation of the community in the territorial planning of livestock activity, improvement in the public-private relationship of stakeholders, better quality and availability of environmental services, strengthening of local governance. New business opportunities.</p>  |
| <p><b>MG.2.</b> Strengthening and expansion of summer management councils</p>                                  | <ul style="list-style-type: none"> <li>• Coordination and planning with regional teams.</li> <li>• Team contracting.</li> <li>• Input and graphic and audiovisual material elaboration.</li> <li>• Workshops and training sessions.</li> <li>• Field visit.</li> </ul>  | <p>Incorporation of the community in the territorial planning of summer activities, improvement in the public-private relationship of stakeholders, better partnership in the constitution of Councils, strengthening of local governance, better quality and availability of environmental services. New business opportunities.</p> |
| <p><b>MG.3.</b> Agricultural research program.</p>   | <ul style="list-style-type: none"> <li>• Coordination and planning with regional teams.</li> <li>• Team contracting.</li> <li>• Input and graphic and audiovisual material elaboration.</li> <li>• Field visit.</li> </ul>  | <p>Technical assistance, training, dissemination of new forestry and agricultural technologies, better use of water resources. Improvement in productive and technological techniques that reduce costs, new business opportunities.</p>  |

| Direct action measures of the ENCCRV  | Activities for each action measure <sup>49</sup>  | Non-monetary benefits <sup>50</sup>  |
|---|---|--|
| <p><b>GA.1.</b> Adaptative management program, of plant resources in the framework for climate change desertification and land degradation and drought.</p> | <ul style="list-style-type: none"> <li>• Coordination and planning with regional teams.</li> <li>• Generation of technical documentation.</li> <li>• Field activities (harvest, sowing, etc.).</li> <li>• Laboratory activities.</li> <li>• Workshops and training sessions.</li> </ul> | <p>Technical assistance, training, dissemination of new forestry and agricultural technologies, better use of water resources, better knowledge of state support for forestry and agricultural activities. Improvement in productive and technological techniques that reduce costs, opportunities for new businesses, availability in the market of better plant inputs adapted to specific conditions.</p> |
| <p><b>PF1.</b> Enhancement of the Plant Protection Program for native plant resources.</p>  | <ul style="list-style-type: none"> <li>• Coordination and planning at regional level.</li> <li>• Field professionals contracting.</li> <li>• Field visit.</li> <li>• Dissemination input and activities.</li> <li>• Workshops and training sessions.</li> </ul>                         | <p>Technical assistance, training, dissemination of new techniques, better forestry management, better knowledge of state support for plant protection. Improvement in techniques of plant protection that reduce risks and costs, new business opportunities.</p>   |
| <p><b>RS.1.</b> Focusing the restoration and audit program on areas at risk of substitution.</p>  | <ul style="list-style-type: none"> <li>• Planning and coordination with the Audit Program at the regional level.</li> <li>• Team contracting.</li> <li>• Dissemination input and activities.</li> <li>• Implementation of equipment and systems.</li> </ul>                             | <p>Training in environmental and forestry legislation. Incentives to formalize commercial activities. Improvement of knowledge of government support for business activities.</p>  |



## 6.2. Example of the financial flow associated with the Carbon Fund



(\*) The percentages that define the amounts indicated are not related to the expected emission reductions, they should be considered only a theoretical exercise to better understand regional allocations.



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## List of abbreviations and acronyms

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|                 |  |
|-----------------|--|
| <b>AGCI</b>     | Agency for International Cooperation of Chile                      |
| <b>CBD</b>      | Convention on Biological Diversity                                 |
| <b>CGR</b>      | Office of the Comptroller General of the Republic                  |
| <b>CIREN</b>    | Natural Resources Information Center                               |
| <b>CMNUCC</b>   | United Nations Framework Convention on Climate Change              |
| <b>CMS</b>      | Council of Ministers for Sustainability                            |
| <b>CNR</b>      | National Irrigation Commission                                     |
| <b>CNULD</b>    | United Nations Convention to Combat Desertification                |
| <b>CONADI</b>   | National Indigenous Development Corporation                        |
| <b>CONAF</b>    | National Forestry Corporation                                      |
| <b>COP</b>      | Conference of the Parties  |
| <b>CORECC</b>   | Regional Committee for Climate Change                              |
| <b>COSUDE</b>   | Swiss Agency for Development and Cooperation                       |
| <b>CTICC</b>    | Inter-Ministry Technical Committee on Climate Change               |
| <b>DIPRES</b>   | Budget Office of the Ministry of Treasury                          |
| <b>DNT</b>      | Neutral Earth Degradation  |
| <b>ENCCR</b>    | National Strategy on Climate Change and Plant Resources            |
| <b>ERPA</b>     | Emission Reduction Payment Agreement                               |
| <b>ETICC</b>    | Inter-Ministry Technical Team on Climate Change                    |
| <b>FCPF</b>     | Forest Carbon Partnership Facility                                 |
| <b>FIA</b>      | Foundation for Agricultural Innovation                             |
| <b>FNDR</b>     | National Fund for Regional Development                             |
| <b>FREL/FRL</b> | Forest Reference Emission Levels and/or Forest Reference Level     |
| <b>FUCOA</b>    | Foundation for Communications, Training and Culture of Agriculture |
| <b>FVC</b>      | Green Climate Fund   |
| <b>GEDEFF</b>   | Forest Development and Promotion Management                        |
| <b>GEI</b>      | Greenhouse Gases   |
| <b>GEF</b>      | Global Environment Facility  |
| <b>GF</b>       | Focus Groups   |
| <b>INDAP</b>    | Institute of Agricultural Development                              |
| <b>INFOR</b>    | Forestry Institute   |

|                 |  |
|-----------------|--|
| <b>INIA</b>     | Agricultural Research Institute                              |
| <b>MGAS</b>     | Environmental and Social Management Framework                |
| <b>MIDESO</b>   | Ministry of Social Development                               |
| <b>MINAGRI</b>  | Ministry of Agriculture                                      |
| <b>MINREL</b>   | Ministry of Foreign Affairs                                  |
| <b>MM</b>       | Methodological Framework (of Carbon Fund)                    |
| <b>MMA</b>      | Ministry of the Environment                                  |
| <b>MRV</b>      | Monitoring, Reporting and Verification                       |
| <b>MRS</b>      | Grievance Mechanism and Suggestions                          |
| <b>NDC</b>      | Nationally Determined Contribution                           |
| <b>ODEPA</b>    | Office of Agricultural Policy and Studies                    |
| <b>ODS</b>      | Sustainable Development                                      |
| <b>OIRS</b>     | Information, Complaints and Suggestions Office               |
| <b>OIT</b>      | International Labour Organization                            |
| <b>ONG</b>      | Organización No Gubernamental                                |
| <b>ONU-REDD</b> | United Nations REDD+ Programme                               |
| <b>OSC</b>      | Civil Society Organization                                   |
| <b>PRE</b>      | Emissions Reduction Program                                  |
| <b>PUC</b>      | Pontificia Universidad Católica de Chile                     |
| <b>PANCC</b>    | National Action Plan on Climate Change                       |
| <b>REDD+</b>    | Reducing Emissions from Deforestation and Forest Degradation |
| <b>SAG</b>      | Agricultural and Livestock Service                           |
| <b>SDB</b>      | Benefit-Sharing System                                       |
| <b>SESA</b>     | Strategic Environmental and Social Assessment                |
| <b>SIAC</b>     | Integral Citizen Service System                              |
| <b>SIS</b>      | Safeguard Information System                                 |
| <b>SMM</b>      | Measurement and Monitoring System                            |
| <b>SNMF</b>     | National Forest Monitoring System                            |
| <b>UCCSA</b>    | Climate Change and Environmental Services Unit of CONAF      |
| <b>UNFCCC</b>   | United Nations Framework Convention                          |











**CHILE LO  
HACEMOS  
TODOS**



**ENCCRV**

ESTRATEGIA NACIONAL DE CAMBIO CLIMÁTICO Y RECURSOS VEGETACIONALES

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