

Template UN-REDD Programme Expression of Interest

to receive support for a National Programme

Orientation of Requested Support: Collaborative development of adjustments and operational requirements in the design of systems and conducive to promoting a smooth transition from the Preparation Phase to Phase Implementation of REDD + as part of the National Strategy for enabling activities Climate Change and Plant Resources (ENCCRV) of Chile.

1. REDD+ process in the country

Chile ratified the 1994 UN Framework Convention on Climate Change (UNFCCC) and became part of the Kyoto Protocol in order to collaborate and support initiatives generated globally to deal with the phenomenon of climate change. Considering the need to coordinate internal and national foreign policy efforts in this area, the State of Chile established the "National Advisory Committee for Global Change" in 1996, which still exists and is permanent and whose president is the responsibility of the Ministry of Environment. This Committee played an important role in 2006 in the preparation of the National Strategy on Climate Change, which considered the axes of adaptation to the effects of climate change, mitigation of emissions of greenhouse gases (GHG), and creation and capacity building on climate change.

Additionally, and to strengthen interagency work , the "Interministerial Committee on Climate Change " was created in 2009, which aims to work together and coordinated Chile's position in international negotiations on climate change. It has a technical group that meets frequently to develop technical issues and advise ministerial level, where the Ministry of Agriculture (MINAGRI) involved, and whose role is to promote, guide and coordinate agricultural and forestry activity in the country .

To effectively promote the development of forestry, MINAGRI operates in the areas of research, technology transfer and services, welcoming in its various institutions linked strongly to forestry. These include the National Forestry Corporation (CONAF), an organization whose mission is "to contribute to national development through sustainable management of forest ecosystems and mitigating the effects of climate change by promoting, monitoring of forestry- law environmental protection and vegetation resources". Through CONAF, is sailing for small and medium forest owners and farmers and indigenous communities to access benefits through forestry extension programmes, joining production chains and those incentives to farmers and forest owners for their conservation and sustainable managementⁱ.

Under the REDD + Programme, note that CONAF has been nominated by Chile as the National Focal Point, in accordance with the decision of REDD + CoP19 assumed in Warsaw where the countries invited to nominate National Focal Points. Note that CONAF has led the implementation of the National Strategy on Climate Change and Plant Resources (ENCCRV) which is managed at national level REDD + mechanism .

Under this national context, the implementation of the ENCCRIV is constantly being improved and participatory validation with various stakeholders. This strategy aims to support the recovery and protection of native forests and xerophytic formations as well as promote the establishment of vegetation formations into workable soils afforested, belonging to forest owners with emphasis on smallholders, as mitigation and adaptation to effects of climate change.

The ENCCRIV, following the same order as stipulated internationally for REDD +, includes three stages. The first stage is the preparation, where conceptually designed its entirety and interrelationships. The second stage is piloting and implementing actions where forest materialize, or other previously defined, with direct application within the territory and its owners. Finally, the third stage, known generically as payment by resultsⁱⁱ is that which aims to give back to those owners that meet performance best practices associated with ecosystem services that possess such as carbon storage , water cycle regulation , soil conservation , maintenance of biodiversity , among others.

The ENCCRIV considers seven guidelines to develop include:

- i . Definition and implementation of strategic activities to mitigate and adapt to climate change.
- ii . Development of a carbon accounting system metrics and environmental services.
- iii . Implementing a system of social and environmental safeguards.
- iv . Compliance with technical requirements politicians United Nations Framework Convention on Climate Change (UNFCCC) , United Nations Convention to Combat Desertification (UNCCD) and certification standards for environmental services.
- v . Running a dissemination plan .
- vi . Lifting capacities.
- vii . Development of institutional and agency arrangements that apply.

In this context, and based on the first analyzes that have been developed in terms of REDD + activities, their precursors and their development potential within the ENCCRIV and its elements, it is possible to state that according to the third update inventory of Greenhouse Gases (INGEI) comprising time series from 1990-2010 , degradation is a major source of emissions in the Chilean forestry sector , which is mainly associated with forest fires. It is estimated turn to the second major precursor of degradation is the unsustainable use of firewood, which some estimates conclude that up to 10 million cubic meters of firewood is extracted annually , equivalent to the intervention of nearly 77,000 ha / year without benefit management plans .

This situation is exacerbated by the introduction of cattle on the land where the wood was removed, preventing the natural regeneration of the forest, creating a vicious circle for the recovery of forests. Table no.1 data calculated from the information in the third update of INGEI of Chile for regions between the VII to X are presented, which were presented in the document ER- PIN , linked to the Carbon Fund , which was approved by the Cooperative Fund for Forests (FCPF for its acronym in English) , funds later detailing , and follow in advance allow CONAF access to financing of up to USD 60 million to pilot a payment scheme based on results , which aims linked to this project.

Activity	Historic period	Prediction		
	1998-2012	2015 – 2020	2015 – 2025	2015- 2114
	TCO2e	TCO2e	TCO2e	TCO2e
Deforestation	615.541,54	659.509	2.242.330	38.676.527
Degradation	15.279.431,06	6.548.328	22.139.584	422.834.868
Increase in inventories	-6.488.900,89	-256.722	-872.854	-15.540.216
Total	9.406.071,71	7.464.559	25.254.768	477.051.611

Source: ER-PIN (Emission Reductions-Program Idea Note) Chile 2014.

In general, many of the precursors of degradation, specifically those indicated, result from poverty status of smallholders, forcing them to extract timber from unsustainably for casual selling firewood and / or logs, as well as for preparation of lands for the development of agriculture and small-scale livestock.

Although the available information mentioned, more and better data of this type, with new studies and field investigations are needed to generate information that is validated by various stakeholders, in order to obtain a clearer picture of phenomena, including the correlation between the technical and environmental factors and the social and economic conditions in the affected areas.

In a more general context, the CoP 20 in Lima, Peru, Chile introduced BUR (Biennial Report Update) Climate Change to the UNFCCC , which has information consistent with previous updates to the National Inventory of Greenhouse Gases (INGEI). Here, CONAF provides important part of the background referred to the Land Use Change and Land Use by the National Register of Native Forest.

2. Current situation of the preparation phase for REDD+

Financing ENCCRV

As noted above, CONAF has been nominated as National Focal Point for the REDD + program in Chile, and in relation to Phase Preparation and Implementation of the program, CONAF has completed various financial supports such as:

i . **National Appropriate Mitigation Measure (NAMA)** with contributions from the Swiss Technical Cooperation (SDC) (implementation period 2013-2016), which was developed as a key financial and technical component for defining levels reference improvement of forest monitoring system , carbon market knowledge and initiation of studies to develop the design of a certification system attributes climate adaptation and non - carbon environmental services. Besides the first half of 2015, we intend to start the implementation of two pilots preventive forestry forest fire , becoming a strategic mitigation activities to fly under the ENCCRV . These pilot projects associated with avoided degradation , further phase would link the results once payment reduction due to reduced risk of occurrence and spread of fire emissions verified. Amount USD 1,800,000 Financing

ii . **Forest Carbon Partnership Facility (FCPF) (Readiness Fund)** (implementation period 2015-2018) , funds advance and improve institutional , technical, administrative and broad social participation issues in order to respond to social and environmental requirements in the implementation of REDD + actions. Funding Amount USD 3.800.000.

iii . **Forest Carbon Partnership Facility (FCPF) (Outcome Payment Fund)** (implementation period 2015) , which funds the development of a sub- program. It will allow pilot schemes outcome payments . The associated Emission Reduction Program area associated with the Carbon Fund

comprise from central to southern tip of Chile (VII to XII regions) , covering almost all of temperate forests. Funding Amount USD 650.000.

iv . **Global Environment Fund** (GEF for its acronym in English), Project Sustainable Land Management (SLM) (implementation period 2015-2019) , which will diagnose and propose improvements and new outbreaks to the agriculture, forestry and environmental management that perform services government response to these climatic changes , integrating aspects of vegetation and hydrological restoration . Funding Amount USD 5.800.000.-

v . **Fund contributed by the Inter-American Development Bank** (IDB) (period 2015-2016) , which will develop studies in order to advance and generate inputs linked to the development of baselines for forest carbon and business plans to strengthen financial aspects of the ENCCRV . Funding Amount USD 180,000

vi . **Fund contributed by the United Nations REDD Programme** (UN REDD) (period 2015-2016) , which will explore a Forest Environmental Fund (FFA) to define a financial architecture in the context of strategic mitigation activities ENCCRV , which must contemplate designing a distribution scheme benefits and payments for results. Also aims to develop pilot projects that effectively reduce / capture emissions in the medium to long term. Funding Amount USD 550.000.-

To this CONAF other direct contributions and public and private agencies nationwide who cooperate in the framework of the ENCCRV are added, and that this year they plan execution and projection of other initiatives such as the development of enabling activities to develop test the design of systems required by the UNFCCC and the viability of the strategic actions planned for the precursors identified.

State of Progress ENCCRV

Regarding the implementation of the system of social and environmental safeguards associated with ENCCRV, Chile raises involvement , participation and delivery of information to all stakeholders and interest groups with or affected (positively or negatively) with the implementation of actions , programs and projects implemented in the area of mitigation and adaptation. It will require strengthening from 2015 the participatory process that has already begun, through expanded multilevel and multi-stakeholder workshops on the implementation of the following considerations:

i . Implementation of the Strategic Environmental and Social Assessment (SESA, for its acronym in English)

ii . Implementation of international social and environmental standards, for which already is working with REDD + SES indicators, the CCBA standard safeguards.

iii . Implementation Evaluation of Programs and Projects Perspective of Gender, Human Rights and Cultural Diversity of UN Women.

iv . Making a National Indigenous Consultation on ENCCRV (ILO Convention 169) .

v . Design and Implementation of Safeguards Information System (SIS) .

Depending on the initiative to be implemented within the framework of a Targeted Support to the UN- REDD Programme, associated with the Environmental Forestry Fund (FFA) , is to define a financial architecture in the context of strategic mitigation of ENCCRV , performing a gap analysis to link funding available to implement and implement a system of payment by results through pilot

actions that can be executed in the context of strategic options identified for each precursor and a larger scale.

This line of action is sustained due to the need arises to decision 10 / CP.19 mentioned that Focal Point REDD +, in this case CONAF, to the UNFCCC may nominate entities to receive payments by results , which imply that context , examine and test the financial architecture for payment by result of REDD + under the UNFCCC in Chile to be defined by the role of FFA, which may act as a forum to get paid for results and can be agreed involve other entities to operationalize payments .

The decision also mentions that outcome payments received by the REDD + countries will be published in the "information hub" by the secretariat in agreement with the Focal Point REDD + (CONAF) . In this context, it appears useful to identify potential national processes to ensure that coordination with the Secretariat, as well as with internal systems for recording transactions that CONAF has already designed under the ENCCRV and funds for forest NAMA start pilot from 2015. Moreover, the direct inclusion of the Green Climate Fund or " Green Climate Fund" (GCF for its acronym in English) as a formal financial source for REDD + is certainly an opportunity that the country will face soon, especially in the understanding that Chile, to be classified as medium-high income and a member of the " Organization for Economic Cooperation and Development " (OECD) , whenever receives less attention than international financial and technical cooperation and must "compete" for resources with countries that obviously can argue more easily support needs .

In this context , Chile must nominate a Designated National Authority (DNA) to coordinate with the GCF and submit proposals for funding by the GCF . This work is being led by the Ministry of Environment and the Ministry of Foreign Affairs of Chile, as points of formal link the country to the UNFCCC, in close coordination with the ministries of the interministerial group of climate change among them Treasury, Agriculture and Energy. In addition, Chile will identify potential implementing agencies or national or sub - national intermediaries that may be accredited and have direct access to resources if they meet the requirements of GCF and receive no objection AND, in this context, be appropriate to define the role of FFA in Chile strategic framework for interaction with the GCF . This will ensure you are taken into account payments by results of REDD + in the process of appointment of intermediaries or entities and the development of an initial set of proposed programs and projects in line with the ENCCRV.

Finally, it is also important to ensure consistency between the processes undertaken by Chile under the UNFCCC in accordance with CP.19 decisions and processes undertaken before the GCF

3. Niche proposed to support the UN-REDD Programme in the country

The support requested seek to increase the range of pilot projects associated with the previously identified strategic options, generating major lessons learned regarding the diversity of situations that are evident in the country in forestry terms and in turn increasing the impact in terms of hectares managed, volume reduction / capture emissions and relevant stakeholders involved in the initiative. The focus of activities will focus on small and medium landownersⁱⁱⁱ is based on many of the precursors of degradation in the country arising from a condition of poverty in this segment , forcing them to extract timber from unsustainably for casual selling firewood and / or logs, as well as for preparation of lands for agriculture, which is why both regulatory and promotional tools with which the country focus precisely on a support to them.

To overcome these challenges is key to generate practical experiences and lessons learned from operational and demonstrative character, in order to generate the relevant milestones as soon as possible to be giving credence to the ENCCRV . In this context, expand the experiences of pilot FFA introduces new forms of support to forest owners, cobra overall enhancement as expected result

halftime , becoming a future as one of the main inputs for setting up new instruments and forest development environmental guaranteed by law, which can channel permanently national and international funds to pay for performance, where the Green Climate Fund will play an important role.

In the long run, is expected to support the definition of fundamental solutions to legal gaps that hinder in Chile a permanent financial provision for the implementation of activities that can be typecast in REDD + , and also formalize the political will to implement them for a reasonable period and that transcends successive governments .

The work that arises do through this increased support requested the UN- REDD program is linked with the final and preliminary results that are obtained from the activities stipulated in the Targeted Support and funding the program , and all associated developments the other funds managed by CONAF for REDD + . So the phases and activities expected to develop in this new funding are:

i . A first phase chain with the progress and results of the Targeted Support should be met during the first quarter. He will be in charge of CONAF with technical support from UNDP and UNEP in the preparation of the TOR and reviewing products.

ii . A phase identification of priority sites, beneficiaries and activities to develop drivers, and also perform operational setting FFA for implementation in the field. This phase should begin in conjunction with the previous phase. Beyond CONAF, the National Technical Panel on Climate Change (NETE)^{iv} , and the municipalities and relevant local institutions in the areas selected for the pilot should review / validate before starting the implementation.

iii . An implementation and dissemination phase in the sites chosen for the pilots. Based on the information available areas with greater overlap between the risk of deforestation and forest degradation will be assessed, and includes an analysis of the stock increases not identified, among other variables to define the start of the project . These activities will be in charge of the computers that will run and develop the drivers.

iv . A phase adjustments in relation to forest monitoring system of the country and dissemination of lessons learned and advocacy. First you must set the relevant technical elements to improve and strengthen the system of monitoring the activities and results of the pilot , and secondly sustainability strategy specific support is based on the wide dissemination of the results of pilot experiences decision makers to assess the relevance and political will to finally outline a national FFA , as far as possible count with a ratio of domestic resources allocated by law to provide financial sustainability to various strategic options ENCCRV in the long run.

It should be noted that the implementation of the pilots will be based on respect for human rights and efforts and preexisting practices in different areas according mandate, such as ILO Convention 169 when applicable, capacity building in regional governments and municipalities , and the development of instruments with participation , cultural and gender relevance developed and validated by the communities in land dispute ; all this as an action for management and prevention of intercultural conflicts .

According to the specifications above and in view of the initial progress that has been in the development of REDD + mechanism in Chile through ENCCRV, have displayed areas of development focused primarily on :

i . Activities enabling to test the strategic options identified for each precursor, where they can also piloting required by REDD + systems, and where you can explore models of integrated forestry extension to provide an offer by the extended state and under the framework of the ENCCRV.

ii . Development of the elements required to improve and incorporate the results of the pilings developed the national forest monitoring system.

iii . Strengthening the implementation of the system of social and environmental safeguards associated with ENCCR, through expanded multilevel and multi-stakeholder workshops, and where required by REDD + systems, such as Safeguards Information Systems, among others are tested .

iii . Systematization, evaluation and dissemination of pilot projects to be developed, and analysis required for implementation in sectoral policy instruments and legal and administrative elements.

iv . Elements of knowledge management and dissemination

4. Funding needs to support the REDD+ readiness process

Tabla 2. UN-REDD financing required

Field	Activities or specific studies	Total
Enabling activities	4 Pilots Development of Strategic Options identified and application of FFA as a payment mechanism results.	\$ 1.600.000
Results-based payments	Amount available for payment or compensation to owners remain Pilots FFA	\$ 1.900.000
Monitoring System	Adequacy Monitoring System with the elements and specific outcomes of the proposed pilots	\$ 200.000
Systematic knowledge management and safeguards	Strengthening mechanisms for dissemination, facilitation and systematization of results in the framework of environmental and social safeguards. Emphasis on South-South cooperation	\$ 200.000
Finance management	Finance for the Project's Operational Costs	\$ 100.000
Total (USD)		\$ 4.000.000

5. Institutional structure

CONAF is the highest body member of the Chilean State responsible for the protection and promotion of sustainable use of forests , xerophytic formations and feasible floors forestar nominated turn as the National Focal Point for REDD + to the UNFCCC based on the requirements by the decisions of the CoP19 held in Warsaw. Also, CONAF is also the focal point of the United Nations Convention to Combat Desertification (UNCCD). Additionally , CONAF actively involved in climate change ministerial groups led by the Ministry of Environment as Technical Focal Point of Chile to the UNFCCC and the Ministry of Foreign Affairs as Political Focal Point . In turn, acts as Secretariat CONAF NETE .

Under the development of ENCCR, has been formed called Mesa Forest and Climate Change, which is a simile of political-strategic ENCCRV directory where the National Corporation for Indigenous Development (CONADI) State participates , representatives of indigenous peoples and civil society. Specifically , among the measures to incorporate Indigenous Peoples , rural communities and civil society to ENCCRV , the development of a Strategic Environmental and Social Assessment (SESA) for its acronym in English, according to the World Bank requirements referred in his capacity as implementing partner of the FCPF , the REDD + safeguards and signature of the country of

Convention No. 169 , plus, national regulations and voluntary actions contemplating the CCBA standard with its REDD -SES program.

In particular, the Unit for Climate Change and Environmental Services (UCCSA) of Management Development and Forestry Development (GEDEFF) CONAF , is the entity responsible for this project. Within this framework the UCCSA will work with UNDP and provide technical assistance and monitoring actions and monitoring , evaluation and systematization of the agreement in order to ensure satisfactory performance of the both its methodology of intervention , as in their mode of operation.

Overall UCCSA perform all actions necessary to support the proper execution of the agreement and compliance with all the goals and purposes this work plan and resource transfer agreement that is made to make it effective.

6. Self-evaluation of absorption capacity

<i>Information request</i>	
<i>UCCSA staff , regional managers and each of the Managers of CONAF directly linked to REDD +</i>	<i>25</i>
<i>Managers and staff from other departments CONAF indirectly linked to REDD +</i>	<i>25</i>
<i>Annual CONAF budget</i>	<i>USD Mill 80</i>
<i>Funding leveraged by CONAF for the development of REDD +</i>	<i>USD Mill 13</i>

7. Outlook

Due to advances in ENCCRV that have been mentioned , and progress in implementing the Targeted Support have been undertaken , it is expected that the documentation of national programs being presented to the fourteenth meeting of the Policy Board to be held in the month of May, so the background should be completed in April 2015. Who will run for 24 months from the availability of funds.

ⁱ 1974 , Decree Law No. 701 for the dual purpose of preserving existing forests (native forests mainly) and cover new ground , yet devoid of vegetation, forest plantations, after subsequent amendments instrument remained in force was enacted as their subsidies until December 31 , 2012. During the period from 1976 to 2010 and associated with Decree Law No. 701, the investment made by the State exceeded \$ 520 million. In 2008 , Law No. 20,283 was enacted. State investment by way of Law No. 20,283 provides an annual amount of approximately US \$ 8.5 million, of which about 80 % are for incentives for conservation and management of forests and the remainder to fund research matter of native forest ecosystems in the country

ⁱⁱ From the first half of 2015 CONAF undertake various initiatives that will go outlining the nature , approaches and final structure of Benefits Distribution System , management support for payment by results. Among them is explore a Forest Environment Fund (FFA) to define a financial architecture which must include the design of a scheme of profit distribution and outcome payments with funds from a Targeted Support (UN- REDD Programme) , and with funding from the FCPF (Readiness) , a study analyzing the elements and technical and legal procedures required for the development and future implementation of a system of transfer of rights carbon reduction and benefit sharing associated with the payment of environmental services will begin , with emphasis on carbon

iii The term " smallholder " is defined in Chile by Law 20,283 on Native Forest Recovery and Forestry Development , indicating that falls into this category , " the person who has title to one or more rural land whose surface together does not exceed 200 hectares or 500 acres where these are located between Regions I and IV , including XV; or 800 acres for properties located in the commune of Lonquimay , in Region IX ; in the province of Palena , Region X ; or XI and XII Regions , revenue comes mainly from agriculture or forestry and which directly work the land . Also fall into this category farming communities , indigenous communities, communities resulting from the process of Agrarian Reform commons, and upland societies defined by their respective laws . Homeowners who do not qualify as small , are considered other owners, corresponding those "natural or legal persons and communities that do not meet the CR requirements set out in the definition of small forest owner and whose annual sales revenue, services and other activities of the turn no exceed 100,000 UF in the last calendar year, " according to the provisions of Law 20,488 of the Ministry of Agriculture

iv National Technical Panel on Climate Change (NETE) , executed on September 23, 2013 as a requirement of the FCPF Participants Committee , which includes members of the public and private sector, representing indigenous peoples and civil society

It is expected that the initiatives developed under the ENCCRIV , to improve the provision of incentives that the State takes on his agroforestry extension, mainly on forest lands , incorporating elements led to payments for environmental services related to strategic options identified for the country and at 5 REDD + activities , but also compatible with a productive approach under management schemes based on extended territories or landscape approach .