

### **GEF-6 PROJECT IDENTIFICATION FORM (PIF)**

PROJECT TYPE: Medium-sized Project

TYPE OF TRUST FUND: Capacity Building Initiative for Transparency

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### **PART I: PROJECT INFORMATION**

| Project Title:              | Strengthening Chile's Nationally Determined Contribution (NDC) Transparency Framework |                              |              |  |
|-----------------------------|---|------------------------------|--------------|--|
| Country(ies):               | Chile   | GEF Project ID: <sup>1</sup> |              |  |
| GEF Agency(ies):            | UNEP (select) (select) GEF Agency Project ID:   |                              | 01589        |  |
| Other Executing Partner(s): | Ministry of Environment   | Submission Date:             | May 19, 2017 |  |
| GEF Focal Area(s):          | Climate Change  | Project Duration (Months)    | 42           |  |
| Integrated Approach Pilot   | IAP-Cities IAP-Commodities IAP-Food   | d Security Corporate Pr      | ogram: SGP 🗌 |  |
| Name of parent program:     | [if applicable]   | Agency Fee (\$)              | 117,040      |  |

### A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES<sup>2</sup>

| Objectives/Programs: Strengthening of Capacities for a transparent NDC |            | (in \$)            |           |  |
|--|------------|--------------------|-----------|--|
| Tracking System in Chile   | Trust Fund | <b>GEF Project</b> | Co-       |  |
| Tracking System in Chile   |            | Financing          | financing |  |
| (select) (select) CBIT   | CBIT       | 1,232,000          | 870,000   |  |
| Total Project Cost   |            | 1,232,000          | 870,000   |  |

#### **B.** INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: Strengthen and improve transparency mechanisms of Chilean national institutions for domestic and UN conventions reporting

|  |                                |   |   |               | (in \$)                     |                  |
|--|--------------------------------|---|---|---------------|-----------------------------|------------------|
| Project Components   | Financing<br>Type <sup>3</sup> | Project Outcomes  | Project Outputs   | Trust<br>Fund | GEF<br>Project<br>Financing | Co-<br>financing |
| 1: Strengthening of Chile's Transparency framework for mitigation and adaptation actions | TA                             | 1.1. Climate data and analysis is integrated into policy making and international reporting | 1.1.1 Centralized National Climate information platform established  1.1.2 Training to data suppliers and platform users is delivered  1.1.3 General guidelines and tools to ensure consistency and comparability of GHG emission projections among sectors are developed  1.1.4 Training to public servants to use this information on decision-making | CBIT          | 500,000                     | 350,000          |
|  |                                | 1.2. Chile's NDC is being tracked and evaluated   | 1.2.1 System for the evaluation and tracking of the NDC established   | CBIT          | 500,000                     | 350,000          |

<sup>1</sup> Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.

<sup>&</sup>lt;sup>2</sup> When completing Table A, refer to the excerpts on <u>GEF 6 Results Frameworks for GETF, LDCF and SCCF</u> and <u>CBIT guidelines</u>.

<sup>&</sup>lt;sup>3</sup> Financing type can be either investment or technical assistance.

|  |  |  | 1.2.2 Metrics and indicators, methodologies for tracking adaptation developed  |      |           |         |
|--|--|--|--|------|-----------|---------|
|  |  |  | 1.2.3 Capacities on monitoring and evaluation of adaptation actions/measures strengthened in at least one sector   |      |           |         |
| 2: Institutionalization of<br>the public climate<br>expenditures | TA   | 2.1 Public institutions report their climate expenditures and support received | 2.1.1: Training plan for public institutions on reporting climate finance delivered  2.1.2: Expense Report Form improved  2.1.3: Guide for Reporting Public Expenditures published | CBIT | 120,000   | 70,000  |
| Subtotal   |  |  |  |      | 1,120,000 | 770,000 |
| Project Management Cost  | Project Management Cost (PMC) <sup>4</sup> |  |  |      |           | 100,000 |
| Total Project Cost   |  |  |  |      | 1,232,000 | 870,000 |

For multi-trust fund projects, provide the total amount of PMC in Table B, and indicate the split of PMC among the different trust funds here: ( )

### C. INDICATIVE SOURCES OF **CO-FINANCING** FOR THE PROJECT BY NAME AND BY TYPE, IF AVAILABLE

| Sources of Co-<br>financing | Name of Co-financier                     | Type of Co-<br>financing | Amount (\$) |
|-----------------------------|--|--------------------------|-------------|
| Recipient Government        | Ministry of Environment                  | In kind                  | 120,000     |
| Recipient Government        | Sustainability and Climate Change Agency | In kind                  | 750,000     |
| Total Co-financing          |  |                          | 870,000     |

## D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS <sup>a)</sup>

| CEE               |                     | C 1                             |                   |                      | (in \$)                      |                                 |                  |
|-------------------|---------------------|---------------------------------|-------------------|----------------------|------------------------------|---------------------------------|------------------|
| GEF<br>Agenc<br>y | Trust<br>Fund       | Country/<br>Regional/<br>Global | Focal<br>Area     | Programming of Funds | GEF Project<br>Financing (a) | Agency<br>Fee (b) <sup>b)</sup> | Total<br>(c)=a+b |
| UNEP              | CBIT                | Chile                           | Climate<br>Change |                      | 1,232,000                    | 117,040                         | 1,349,040        |
| Total GE          | Total GEF Resources |                                 |                   | 1,232,000            | 117,040                      | 1,349,040                       |                  |

a) Refer to the Fee Policy for GEF Partner Agencies.

### E. PROJECT PREPARATION GRANT (PPG)<sup>5</sup>

Is Project Preparation Grant requested? Yes No I If no, skip item E.

<sup>&</sup>lt;sup>4</sup> For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

<sup>&</sup>lt;sup>5</sup> PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF up to \$2m (for MSP); up to \$100k for PF up to \$3m; \$150k for PF up to \$6m; \$200k for PF up to \$10m; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

### PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

| Project Preparation Grant amount requested: \$30,000 |                  | PPG Agency Fee: 2,850 |                |          |         |                      |           |
|--|------------------|-----------------------|----------------|----------|---------|----------------------|-----------|
| GEF  | Trust            | Country/              | Programming    |          | (in \$) |                      |           |
| Agency   | Fund             | Regional/Global       | Focal Area     | of Funds |         | Agency               | Total     |
| 97   |                  | Regional/Global       |                | of Funds | PPG (a) | Fee <sup>6</sup> (b) | c = a + b |
| UNEP   | CBIT             | Chile                 | Climate Change |          | 30,000  | 2,850                | 32,850    |
| Total PP   | Total PPG Amount |                       |                | 30,000   | 2,850   | 32,850               |           |

### F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS<sup>7</sup>

Provide the expected project targets as appropriate.

| Corporate Results  | Replenishment Targets  | <b>Project Targets</b>          |
|--|--|---------------------------------|
| 1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society         | Improved management of landscapes and seascapes covering 300 million hectares  | Hectares                        |
| 2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)                  | 120 million hectares under sustainable land management   | Hectares                        |
| 3. Promotion of collective management of transboundary water systems and implementation of the full range of policy,   | Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins; | Number of freshwater basins     |
| legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services | 20% of globally over-exploited fisheries (by volume) moved to more sustainable levels                                  | Percent of fisheries, by volume |
| 4. Support to transformational shifts towards a low-emission and resilient development path                            | 750 million tons of CO <sub>2e</sub> mitigated (include both direct and indirect)                                      | metric tons                     |
| 5. Increase in phase-out, disposal and reduction of releases of POPs, ODS,   | Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)   | metric tons                     |
| mercury and other chemicals of global  | Reduction of 1000 tons of Mercury  | metric tons                     |
| concern  | Phase-out of 303.44 tons of ODP (HCFC)   | ODP tons                        |
| 6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and                         | Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries | Number of Countries: 1          |
| mainstream into national and sub-national policy, planning financial and legal frameworks                              | Functional environmental information systems are established to support decision-making in at least 10 countries       | Number of Countries:            |

### PART II: PROJECT JUSTIFICATION

1. Project Description. Briefly describe: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, GEF focal area<sup>8</sup> strategies, with a brief description of expected outcomes and components of the project, 4) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF,

6 PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

Provide those indicator values in this table to the extent applicable to your proposed project. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the *GEF-6 Programming Directions*, will be aggregated and reported during midterm and at the conclusion of the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF, SCCF or CBIT.

<sup>&</sup>lt;sup>8</sup> For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which Aichi Target(s) the project will directly contribute to achieving.

SCCF, CBIT and <u>co-financing</u>; 5) <u>global environmental benefits</u> (GEFTF) and/or <u>adaptation benefits</u> (LDCF/SCCF); and 6) innovation, sustainability and potential for scaling up.

### 1) The global environmental and/or adaptation problems, root causes and barriers that need to be addressed

The Paris Agreement calls for a robust system of Measurement, Reporting and Verification (MRV) to provide information on the measures taken and the support received, provided or accounted for the Nationally Determined Contribution (NDC) or internationally transferred. Article 4<sup>th</sup> of the Paris Agreement (PA) requests for full, exhaustive, comparative and robust accountability of the measures and action, for the Convention to be able to clearly assess the progressions and achievements made.

In particular, climate change is an increasingly important issue for Chile, since the country is vulnerable to diverse impacts, due to its geography and socio-economic characteristics. For that reason, the government is putting in place many of the elements required for an effective policy response to climate change.

Chile has maintained a progressive vision on climate action transparency. For instance, it was the first Latin-American country to submit a Biennial Update Report (BUR) in 2014, while its second BUR was submitted in 2016 (Conference of the Parties (COP) 22). In that sense and although the orientations, modalities, procedures and guidelines for implementing the Enhanced Transparency framework (ETF) are still under revision of the Ad Hoc Working Group on the PA, Chile is already adapting its own framework, considering its own necessities and priorities as established in the NDC.

Key points to adapt Chile's framework include approaches to plan mitigation strategies to ensure the NDC target is achieved cost-effectively. Mitigation planning may require updates and increasing levels of ambition in order to achieve the NDC target (eventually, mitigation actions may not be as effective as initially planned). Tracking progress made can be facilitated by breaking the NDC target for 2030 into a number of intermediate and closer targets. Planning towards cost-effective mitigation trajectories and avoiding technology lock-in can best be done based on a long-term mitigation target and a long-term mitigation strategy. However, due to delays in reporting and the long-term timeframe required for planning and implementing mitigation actions, tracking ex-post progress based on Greenhouse Gases (GHG) inventory data (currently available with a delay of 3 years) and intermediate targets, leads to inadequate responses (mitigation planning would be updated too late to be useful).

Alternatively, emission projections including the expected GHG reductions through implemented and planned mitigation measures could regularly be compiled, updating them as necessary, and compared to intermediate targets, thus providing ex-ante information on progress. This can be used to adjust mitigation planning early on.

The CBIT support solicited will help Chile becoming a benchmark for the region in terms of the ETF, allowing it to implement and test systems related to transparency which have not been implemented in developing countries ever before. The implementation of these approaches would not only be of great benefit for Chile, but also for the rest of the region, and for developing countries worldwide.

### 2) The baseline scenario or any associated baseline projects,

The Government of Chile is coordinating, at national level, different initiatives to reduce GHG emissions, and to develop adaptation plans to shift towards a sustainable, resilient and low carbon development.

### **Transparency Framework**

A key milestone in this path was the voluntary commitment made in Copenhagen (COP15), which indicated Chile would perform Nationally Appropriate Mitigation Actions (NAMA) to achieve a deviation of 20% below the increasing trajectory of the 'business-as-usual' (BAU) emissions by 2020, forecasted since 2007. Still, Chile counts

with no robust information as regards the progress of this commitment, mainly due to a lack of definition of the official BAU baseline and despite being a national goal to assess this effort as soon as possible.

After the Copenhagen commitment, the climate agenda in the country has gained strength.

The National Action Plan on Climate Change 2017-2022 (NAPCC) included in its strategic pillars both issues of Adaptation and Mitigation. The objectives of these pillars are focused on the implementation of actions and the development of key elements to help Chile comply with the international commitments, including transparent reporting, and designing a long-term climate strategy.

One of the first steps to assess Chilean performance and to achieve proper and transparent reporting was the improvement of the National GHG inventory, which has been systematically enhanced to provide the best information available about emission features, sinks and trends. The national inventory is periodically updated to comply with UNFCCC requirements.

However, the inventory is not enough in order to evaluate the actions taken to reduce the climate change impacts of Chile's development. A broader analysis of the mitigation initiatives and a robust system to gather information about the implementation of the Paris Agreement (PA) is needed. This would be useful not only to transparently inform the efforts taken by the country but also to enhance the planning of Chile's future climate pledges.

After the public announcement of the first iNDC and the adoption of the PA, Measurement, Reporting and Verification (MRV) initiatives became under assessment in order to identify the level of improvement and strengthening needed to serve as the basis for a new national tracking system under the ETF. This time with the challenge of measuring the progress not only for mitigation but adaptation actions as well. In that sense, Chile recognized the lack of metrics for tracking adaptation.

So far, almost all advances, in terms of transparency and MRV, have been possible thanks to relevant international support received in the last years:

Table 1. Main projects related with ETF which received international support and its sources

| Project Name             | Description   | Donors                 |  |
|--------------------------|---|------------------------|--|
| 1. Mitigation Options to | Mitigation Options to   Facilitating decision-making over possible mitigation |                        |  |
| Face Climate Change      | actions at national level.  | Children's Invest Fund |  |
| (MAPS, 2014-2015).       | The project forecasts scenarios and mitigation                                | Foundation             |  |
|                          | options in the long run, through a technical                                  | (US\$1,290,378)        |  |
|                          | participative and multispectral process. MAPS                                 |                        |  |
|                          | outcomes constitute an essential input for the design                         |                        |  |
|                          | of the mitigation component of the iNDC.                                      |                        |  |
|                          |   |                        |  |
| 2. Low Emission          | Fostering and creating capacities in the public and                           | European Commission,   |  |
| Capacity Building -      | private sectors for mitigation and measurement of                             | Federal Republic of    |  |
| Chile (LECB) (2012 -     | GHG emissions.  | Germany, Australia     |  |
| 2016)                    | Studies like "Design of accountability rules for                              | (US\$1,584,000)        |  |
|                          | Chile", and CPEIR where supported under this                                  |                        |  |
|                          | project.  |                        |  |
|                          |   |                        |  |
| 3. Support Activities to | Strengthening and consolidating the management of                             |                        |  |
| prepare the Third        | Climate Change in Chile, to comply with the                                   | (US\$480,000)          |  |

| National<br>Communication (TCN)<br>of Chile to UNFCCC<br>(2012-2017)                               | transparency related commitments established in the UNFCCC. Several activities were developed to improve adaptation capacities, including vulnerability studies which considered the development of workshops in the regions to collect different perceptions regarding climate change impacts.                                |                                   |       |
|--|--|-----------------------------------|-------|
| 4. Biennial Update<br>Report Project<br>(2015-2017)  | Preparation of the BUR to be presented to the UNFCC, updating information on GHG emission inventory, Mitigation actions, Financial support, Needs and Gaps.  | GEF<br>(US\$352,000)              |       |
| 5. Partnership for<br>Market Readiness<br>(PMR, 2011-2017)   | Generating technical capacities for evaluating, designing and implementing Market-based Instruments (MBI). Assessment of feasibility of one or several carbon-price fixing instruments in the energy sector. Design and implement an MRV framework and a registry system. Communicational strategy and stakeholder engagement. | World<br>(US\$3,000,000)          | Bank, |
| 6. Enhancing resilience to climate change of the small agriculture of O'Higgins Region (2016-2019) | Increase resilience capacity in rural communities in<br>the coastal and arid Region of O'Higgins. Designing<br>and implementing measures to reduce vulnerability<br>of small-scale farmers facing changes in the<br>agricultural production, ecosystems services and<br>biodiversity.  | Adaptation Fund, (US\$ 9,600,000) |       |

Table 2. Projects focused on capacity building (funding not necessarily provided to the government)

| <b>Project Name</b> | Description   | Donors                  |
|---------------------|---|-------------------------|
| Information Matters | Supporting institutions of UNFCCC parties to assess     | Federal Republic of     |
| (2013-2016)         | their monitoring and communicational processes and      | Germany                 |
|                     | diminishing gaps. Enhancement of those processes in     |                         |
|                     | the light of what required by international standards   |                         |
|                     | and the UNFCCC itself                                   |                         |
| EUROCLIMA           | Facilitating the integration of local and sub-national  | European Commission     |
|                     | strategies of adaptation measures for fighting climate  |                         |
|                     | change within public policies and plans of              |                         |
|                     | development. Regional cooperation program between       |                         |
|                     | European Union and Latin America.                       |                         |
| International       | Supporting a practical exchange of activities related   | Federal Republic of     |
| Partnership on      | to GHG mitigation actions, with the goal of helping     | Germany   Republic of   |
| Mitigation and MRV  | to close the gaps of the global ambition. This alliance | South Africa   Republic |
| (IPMM)              | is focus principally in collaborating in the design of  | of Korea                |
|                     | the low-emission development strategies (LEDS),         |                         |
|                     | NAMAS and MRV systems                                   |                         |
| MRV Framework       | Improving the coordination of the MRV of NAMAs          | Foreign and Common      |
|                     | in Chile, which allows increasing the public            | Affairs of the British  |
|                     | knowledge about this actions and the trust in the       | Council                 |
|                     | estimated benefits related to GHG reduction and         |                         |
|                     | other non-GHG approaches.                               |                         |
| Carbon-Budget       | Allowing the Chilean Government to track progress       | Foreign and Common      |
| Framework for Chile | towards its greenhouse gas (GHG) emissions              | Affairs of the British  |
|                     | reduction targets and to take appropriate action if     | Council                 |

|                 | progress is not sufficient.  |                           |
|-----------------|--|---------------------------|
| NDC partnership | Ensuring countries receive the technical and financial support they need to achieve ambitious climate and sustainable development targets as fast and effectively as possible. | World resources institute |

Despite the improvements achieved through the capacity building projects mentioned above – such as the improvement of international reporting, the enhancement of data quality and public engagement – a number of gaps remain to be addressed before Chile can successfully comply with the ETF of the PA.

In 2014, Chile submitted its first BUR and went through the International Consultation and Analyses process (ICA) in 2015. Key capacity building needs were identified, firstly, the importance of ensuring a sufficient number of qualified technical staff in government institutions (e.g. in the SNI Chile, where Industrial Processes and Product Use and Waste sectors are measured by consultants integrally). Secondly, the necessity of the systematic collection of data and information for preparing BURs and for implementing MRV systems for planned mitigation actions.

In the first round of the facilitative sharing of views organized by the UNFCCC Secretariat in May 2016, Chile emphasized its advances on: national GHG inventory; the current system of institutional arrangements; and the evaluation of a national and integrated MRV system. Many of the inquiries received were focus on the MRV system and how Chile is addressing the task of estimating the impact of policies and measures in terms of emission reductions.

The emergence of the MRV-Framework exposed to the Ministry of Environment (MMA) the low awareness of the frameworks existence, Developers of mitigation actions are not using the framework as much as necessary in the early design of these actions. This situation makes the reporting process extremely difficult, while simplifying it is a priority for complying with the ETF.

This could be achieved by developing an integrated platform for climate change information. In this way, all institutions involved directly or indirectly in the promotion of emission reduction actions, will easily identify these actions, quantify and report them to the MMA in a systematic way. Such a platform would also allow easier management of the reported data under the NDC tracking system. It would also need to be aligned in order to integrate the data flows as foreseen under the MBI (a green-tax) developed by the PMR project.

Regarding adaptation, there is a clear necessity to develop indicators to measure the effectiveness of the plans to reduce vulnerability and increase adaptive capacity, and to monitor the progress of the country. Indicators must be developed for the NAP and for the priority sectors mentioned above.

As for the actual procedure to report NAP advances there is a necessity to build capacities for the focal points of the Interministerial technical team on Climate Change (ETICC) and other professionals in those institutions. The procedures by which the information is collected and processed within their own institutions should be improved and facilitated, including new technologies. MMA and the sectoral ministries have limited capacity to collect and process information -particularly regarding disbursements-; involuntary mistakes occur when completing worksheets and a lot of raw information has to be clarified and processed to have a robust report. The 2016 report only included information regarding the level of implementation and expenditures. No indicators have been developed to measure the effectiveness of the actions that were included in the NAP and the sectoral plans and few of those actions have quantifiable goals.

In addition to the previous needs, certain gaps have been identified by the EUROCLIMA project implemented together with UN Environment, about adaptation measures and institutional design at the regional and local level. The gaps identified by this project indirectly affect the transparency of the information received among different administration levels (National and sub-national). Lack of capacities and knowledge in the local level related to

climate change, and specifically to adaptation measures, and poor coordination among institutions generate an impact in the tracking of the progress of national and sectoral plans.

### Long term monitoring of the NDC in mitigation.

Chile's initial work on domestic MRV was not developed in a coordinated manner. This fact implied that the first set of sectorial MRV systems designed were not comparable with each other. To help sectors tackle this issue, in 2014 the MMA developed a National MRV Framework to set basic standards and procedures for MRV systems across the broad range of mitigation actions. Besides the need to ensure consistency and comparability across actions, this innovative MRV approach evolved as a proactive response to a perceived lack of international guidance in the field.

Along the same line, in 2016 and also with the support of LECB, Chile defined the basic accountability rules for mitigation actions and identified the essential components of a centralized MRV platform. This project analyzed the importance of the national inventory data and its links with MRV for mitigation actions. Sectoraly, the Ministry of Energy (whose sector is responsible for 75% of the national emissions) is currently committed to apply the centralized MRV outcomes and principles for its own MRV. This will be done in a coordinated way with the Ministry of Environment. Institutional arrangements have been put in place to allow this (A formal agreement was signed between both Ministries on that regard).

Currently and in parallel to the negotiation of how to operationalize the ETF, Chile is striving to analyze different options for the designing of the planning and implementation of the NDC. To do so, a nationally adapted carbon-budget approach is being considered. This approach considers key elements such as the regular updated GHG Inventory, GHG projections and scenario-evaluation, in the development of a national transparency system for the NDC.

Modeling and projections: the projections work done under MAPS project evidenced two very clear gaps remaining: the capacities created regarding projections and modeling of GHG emissions were not kept within the government and its functionaries, but in the academia. Due to this situation, no systematical updates of the projections developed took place after the conclusion of the project.

This turnover of capacity building was not only observed in MAPS, but also in the Carbon-Budget Framework. As robust projections are needed to be able to measure progress towards mitigation targets, this gap poses a risk with regards to the transparent reporting as well as compliance with the mitigation target under the NDC. Likewise, Carbon-Budget Framework highlighted the lack of a long-term vision for mitigation in Chile. This lack is also a barrier for a robust planning of mitigation actions towards achieving NDC. Such a statement is supported by the Environmental Performance Review of the Organization for Economic Co-operation and Development (OECD) (2016) for Chile which recommends evaluating the carbon neutrality for the second half of the century.

The continuous work with academia is necessary in order to incorporate its knowledge and lesson learned into the system to tracking the NDC, especially in the areas of modelling and projections, not only for emissions but for policy analysis as well.

### Monitoring of the NDC in adaptation

As mentioned, Chile's NDC includes an adaptation aspect that also needs to be tracked which is challenging due to the current lack of metrics for tracking adaptation.

Based on the NAPCC, the NDC sets that by the year 2018 Chile shall have sectoral Adaptation Plans for Farming, Biodiversity, Fishing and Aquaculture, Health, Infrastructure, Cities, Water Resources, Energy and Tourism sectors. Furthermore, the NDC commits Chile to update these plans every five years.

To correctly and transparently report the progress of these plans, and the valuable information gathered trough their activities, the development of metrics was included in the NDC. For the interest of CBIT in convergence around best practice, this kind of effort could be replicable in the region and worldwide, where indicators to measure the progress of adaptation were not yet developed.

On 2014, Chile enacted its National Adaptation Plan (NAP) in line with the NAPCC. Annual reports of the progress of the NAP and the sectoral adaptation plans under implementation are being submitted domestically by the Ministry of Environment (MMA) to Chile's Council of Ministers for Sustainability. The first one, corresponding to the execution of the first year, 2015, was issued on September 2016.

One of the goals established in the NAP is the construction of indicators to measure the effectiveness of adaptation actions and the reduction of vulnerability (in line with article 13.5 of the PA). A first study was carried out last year, to review comparative indicators used in different countries and selected a set of ones for Chile. It is required to continue with this work by making a finer selection and by considering the participation of the different organisms that generate related information as well as the users of this information.

### Institutionalization of the public climate expenditures

Through its NDC, Chile is committed to develop a National Financial Strategy for Climate Change. This strategy is going to be coordinated by the Ministry of Finance, who will receive inputs from the public expenditures strengthened through CBIT. Considering those inputs, the Ministry of Finance is committed to produce a periodical Climate Change public spending analysis, both direct and indirect, which will be updated annually after 2020.

This initiative is extremely relevant, not only to achieve a transparent accountability framework, but also to increase efficiency in public climate expenditure.

During 2015 and 2016, as a part of LECB and the technical support of UN ECLAC, a first pilot of the *Climate Public Expenditure and Institutional Review Methodology (CPEIR)*" was launched. Four ministries are actively participating (Environment, Energy, Agriculture, Public Works), with a common objective of contributing to a future process of a systematization of the reporting of climatic public expenditure.

In addition, the CPEIR project has contributed to the generation of inter-ministerial groups for discussing, technically and strategically, the scope of climate expenditure. Both groups meet four times a year. The technical and strategic discussions in both groups have helped to establish the relevance of accounting for climate expenditure. Also, they have contributed to the construction of the first definition of climate expenditure and the institutional arrangements for organizing the discussions within each ministry.

Related to Adaptation, as mentioned, for the procedure to report NAP advances, there is a necessity to build capacities for the focal points of the ETICC and other professionals in those institutions. The CPEIR project has identified some gaps to be addressed in order to institutionalize the NAP report and the outreach of the information gathered through it. Those gaps could be summarised in: 1) The need to strenghtening the current sectoral capacities, enhancing their scope and involving other ministries (e.g. Housing, Economy and Interior) and continuing their capacity building; 2) The need to improving the instruments elaborated to registering the expenditures through guidelines and pilots. These gaps also are applicable for the reporting of mitigation measures

# 3) The proposed alternative scenario, GEF focal area strategies, with a brief description of expected outcomes and components of the project

This proposal is aiming to address the needs of Chile on building capacities in advanced planning tools, improving and enhancing the institutional arrangements in place for international reporting and improving the data management for a cost-efficient and reliable evaluation of mitigation and adaptation actions, informing political decision-making and climate-related public expenditure to track the progress of the NDC.

The project will be focused on one main component:

Component 1: Strengthening of Chile's Transparency framework for mitigation and adaptation actions

Component 2: Institutionalization of the public climate expenditures

Component 1: Strengthening of Chile's Transparency framework for mitigation and adaptation actions

### Outcome 1.1 Climate data and analysis is integrated into policy making and international reporting

### Output 1.1.1 Centralized National Climate information platform established

Chile's second BUR established the need of a centralized platform of climate information, to improve data management, facilitate coordination and systematic data sharing with different ministries. Such platform should be composed by different modules, such as a web-based inventory platform, allowing easy public access and the analyses of GHG inventory data. Such modules would be organized according to the different climate change sectors (e.g. mitigation, adaptation, support). It will also provide a transparent system to inform the general public about climate change within the country in line to the Principle 10 of the Rio Declaration, key to apply in the process of implementation of the PA.

A good knowledge and capacities related to climate change in subnational levels is critical to mainstream issues of adaptation and mitigation in the every-day agenda. In that sense, coordination among administration levels is key to share information and support in the development and assessment of climate-related activities developed locally

This platform will be updated permanently, its key objectives will be:

- Centralize information of GHG emission levels and GHG emission reductions.
- Integrate information of the GHG inventory and sectoral progress indicators of policies and actions (based on the MRV framework)
- Provide an efficient manner for sharing information among sectors related to vulnerability and adaptation.
- Create an interactive web-page to disseminate climate information within different actors and audiences.

Such an approach would not only improve access to an overview of data provided by sectors involved (allowing a more holistic evaluation of developments over time), but also, would enable further improvements in data quality over time through common quality requirements.

### Output1.1.2 Training to data suppliers and platform users is delivered

<sup>&</sup>lt;sup>9</sup> For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which <u>Aichi Target(s)</u> the project will directly contribute to achieving.

To ensure the relevance and reliability of the information in the platform, data suppliers need to have the capacities to insert accurate data to the platform. In addition, this platform will be only useful if the Ministries and sectoral institutions actually consult the platform in a regular basis. Therefore, technical representatives from the Ministries and other institutions will be trained to the use of the platform on how to insert data or how to access the platform according to their roles. The trainings will complemented by guidelines promoting the effective use of the centralized national climate information platform

The key activities of this output are:

- Train data suppliers and platform users
- Produce guidelines documents

## Output 1.1.3 General guidelines and tools to ensure consistency and comparability of GHG emission projections among sectors are developed

The lack of long-term climate strategy in Chile has been highlighted as a barrier to elaborate efficient policy planning tools. This issue is explicitly mentioned in Article 4.19 of the PA, which calls parties to formulate and communicate Low Emission Development Strategies. CBIT activities will help to build the capacities and create awareness at the decision-making level and help put in place advanced tools to set potential long term goals. Additionally, Chile is striving to analyze the best possible option to have a robust and transparent tracking for its own type of NDC (carbon-intensity target).

The inventory can provide information on the development of historical GHG emissions, whether they have gone up or down and to which extent. This can give a first indication of how the country is progressing towards its mitigation target. However, this analysis could be considerably strengthened by comparing the emissions against interim milestones that describe a trajectory to the 2030 target. Indeed, this was one of the recommendations from the OECD's 2016 Environmental Performance Review for Chile. Where the interim milestones are compared to projections, however, progress assessments can take place ex-ante instead of expost, thus enabling early policy decision making on adjusting or enhancing mitigation actions when required. This consideration is strongly related to the increasing in the level of ambition of the iNDC in the future, under the PA implementation.

Setting long-term mitigation objectives beyond 2030 can help Chile to better prepare itself for the requirements of the updating of the NDCs and the revision of its mitigation ambition, as explicitly mandated in the PA (Articles 4.9, 4.11). Having a long-term goal could guide decisions on ambition in earlier years. There is therefore scope for Chile to provide leadership to other countries by adopting a longer-term approach now and using this to inform decisions on NDC updates over the intervening years.

To do this, Chile would first set the level of ambition for 2050 and then carry-out modeling of cost effective pathways to that goal, to consider what an appropriate level of ambition would be needed in the years between now and 2050. CBIT activities would help to build the capacities for doing so.

Options for implementing a system of carbon-budgets in Chile were assessed in detail under the Carbon-Budget Framework project. This project included the question on how the country could benefit from having interim intensity or absolute emission milestones to systematically evaluate the progress of the implementation of the NDC. A definition of intermediate GHG intensity milestones and an assessment process for measuring compliance will be made. This will assist with the planning process, since Chile will see not only what the end goal is, but also what needs to be achieved in intervening years. For transparency purposes, this approach is also aimed to enhance the current framework since regular reporting against the milestones would help Chile understand the progress being made. This applies both to the national as well as the international level.

Key activities included under this output are:

- Build capacity and provide technical support to the government to use advanced modeling tools
- Set a potential national long-term mitigation target (2050)
- Develop pathways to the long-term target
- Assess and define how many milestones are needed until 2030 (NDC scope), this work should be linked with output 1.2.1
- Identify what kind of milestone is the best option for Chile (carbon-budgets, carbon-intensity milestones, absolute intermediate emission targets, etc.)
- Set the procedures and frequency to assess the compliance against the milestones

### Output1.1.4 Training to public servants to use this information on decision-making

The purpose of the platform should go beyond gathering information, and for this a special emphasis will be done on the use of the platform by policy makers to make informed decisions. The project will promote this use of the platform by delivering trainings to decision makers and by facilitating the exchange of information between experts and policy makers.

The key activities of this output are:

- Train public servants on how to use the platform information on decision-making
- Produce summaries and documents alike for policy makers in a clear and straightforward language

Outcome 1.1 is directly related to the Proposed Programming Priorities for the National Level (GEF/C50/06):

- Activities to provide relevant tools, (d) Access to tools and applications to facilitate the use of improved methodologies and database system tools for implementing ET activities
- Activities to assist with improvement of transparency over time, (j) Capacity needs assessment for transparency to assess institutional arrangements for data collection, analysis and reporting

### Outcome 1.2 Chile's NDC is being tracked and evaluated

### Output 1.2.1 System for the evaluation and tracking of the NDC established

To analyze the best options for the tracking system for the Chilean NDC, CBIT activities would help to create capacities and to establish a technical working group which should define and seek the approval of the approaches proposed for the tracking system and for planning with key policy stakeholders. This permanent inter-sectoral group should consist of actors from the public sectors but also from academia.

There is a need to develop GHG projections in a continuous basis to properly evaluate the progress against intermediate targets, and to assess whether the current mitigation efforts are sufficient to meet the set of targets. This project will aim to enhance capacities on GHG projections.

Currently the only ministry with the capacity to regularly develop sectoral GHG projections is the Ministry of Energy. There is a clear need to create such capacities for other sectors as well as to enable the development of GHG projections for non-energy sectors. The base information for the projections is provided by the national GHG inventory, updated every two years.

The key activities of this output are to:

• Define the members, roles and responsibilities for the inter-sectoral working group

- Define the procedures of approval for recommendations related to the design and implementation of the NDC tracking system
- Deliver training on projections to the institutions involved in the elaboration of the GHG emission inventory and provide technical support to the SNI Chile for the systematic elaboration of waste and IPPU sectors
- Provide technical tools to systematize the elaboration of such projections
- Identify the information needed, and design the procedures and the frequency for the projections and how this will integrate the NDC tracking system in a continuous basis.

### 1.2.2 Metrics and indicators, methodologies for tracking adaptation developed

The purpose of this output is to provide technical support to develop indicators of adaptation for the National Adaptation Plan and sectoral plans and an Adaptation Monitoring and Report System. In the case of adaptation, it is needed to incentivize the development of metrics and progress indicators helping to comply with the adaptation targets in the NDC ("metrics preparation" and "concrete action with a decentralized perspective") and to obtain a better flow and understanding of bottom-up data when exposed in the local and regional plans, generating important information to be used in output 1.1.1. Lessons learned from the development of procedures in the MRV framework for mitigation actions – as far as transferrable - would be applied.

The key activities of this output are to:

• Defining metrics, indicators and methodologies for tracking the adaptation component of the NDC

### 1.2.3 Capacities on monitoring and evaluation of adaptation actions/measures strengthened in at least one sector

Based on the elements developed under Output 1.2.2, the reporting process capacity building activities such as training and workshops to explain how to use indicators and measure the progress on adaptation plans and measures will be organized.

The key activity of this output is to:

• Deliver training on monitoring and evaluation on adaptation to at least one sector

Outcome 1.2 is directly related to the Proposed Programming Priorities for the National Level (GEF/C50/06):

- Activities to strengthen national institutions for transparency-related activities in line with national priorities, (a), Support to national institutions to coordinate strategies and programs
- Activities to provide relevant tools, training and assistance, (e) Country-specific training on tracking NDCs, (g), Assistance in quantifying and reporting impact of policy measures and (h), Clarifying key NDC information, like reporting progress towards achieving their NDCs,
- Activities to assist with improvement of transparency over time, (j), Capacity needs assessment to support mapping of current baseline and planned reporting and related activities, (k), Support to introduce and maintain progress tracking tools for transparency –related actions and progress towards targets/goals

Component 2: Institutionalization of the public climate expenditures

### Outcome 2.1 Public institutions report their climate expenditures and support received

### Output 2.1.1: Training plan for public institutions on reporting climate finance delivered

Although some progress has been made in terms of climate expenditure, further training of the public sector is required, extending the lessons learned and agreements reached to functionaries that have not participated in this project, including also the civil society. A training plan is required to progressively integrate the ministries and stakeholders that have not participated yet. This includes the scope and objectives associated with reporting climate expenditure and piloting the instruments designed to report information. As a result, we expect to have a broad group of professionals trained in the reporting of climate expenditure

The key activity of this output is to:

• Deliver training on reporting climate expenditures and support received

### Output 2.1.2: Expense Report Form improved

From the draft form of report of the public climatic expenditure it is necessary to elaborate an improved version. The institution on charge of the form will be the Ministry of Environment. This version must be associated to the generation of information that clearly identifies:

- Who reports
- Institution
- Type of expenditure (current or capital)
- Classification (mitigation, adaptation and others)
- Direct or indirect expenditures
- Others

Also, it is highly relevant that this form is merged and complemented with the environmental protection expenditure form. The objective is to make a single request to the associated services and generate synergies in the process.

The key activity of this output is to:

• Elaborate an expenditures reports form aligned with the current environmental protection form

### Output 2.1.3: Guide for Reporting Public Expenditures published

With the objective of contributing to the institutionalization of the form of report of climate and environmental protection expenditure, it is necessary to elaborate a guide (or protocol) to complete and to report the information. This will contribute to the installation of capacities within the institution and not only for the individuals who integrate it. The guide will contain:

- Definitions (typologies and classifications)
- Step-by-step guides to complete the form.
- Information reporting process.
- Information validation process.

The key activity of this output is to:

• Develop and publish the guidelines for the use of the expenditures reporting form.

The second component is related to the Proposed Programming Priorities for the National Level (GEF/C50/06):

- Activities to strengthen national institutions for transparency-related activities in line with national priorities, (c), Assistance with deployment and enhancement of information and knowledge management structure
- Activities to provide relevant tools, training and assistance, (i) Assistance in quantifying and reporting on support provided and received, as well as;
- Activities targeting to assist with the improvement of transparency over time, through the proposed climate finance tracking tool

# 4) <u>incremental/additional cost reasoning</u> and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and <u>co-financing</u>;

The CBIT programme is designed to improve mandatory reporting of signatories of the UNFCCC. As such this project is financed on full agreed cost basis. In the case of this programme, eligible activities have been described in the GEF document Programming directions for the Capacity Building Initiative for Transparency (GEF/C.50/06). The activities of this project are consistent with the scope of the programming directions and are summarized briefly again below. Cofinancing is not a necessary requirement for this project, however since Chile climate change reporting is being mainstreamed into the country national planning work there is a foundation of activities on which this project will build. These activities are considered cofinancing and have been included in table C.

The efforts made by Chile toward an ETF have been long demonstrated by the commitments taken to comply with the requirements of reporting under the UNFCCC. The new elements contained by the ETF of the PA to measure the progress of NDCs, are motivating Chile to proactively start the preparation of the broader scope for the current national reporting framework. Since this, it is understood that the NDC not only presents challenges on the ambition of mitigation actions, but on the transparency and the clarity of the information provided about GHG emissions and the progress of implementation.

This proposal aims to clarify the current landscape existing in Chile regarding transparency and the gaps that should be closed with this CBIT project, specifically in the field of capacity building, coordination, information and data management and tool development on policy planning.

### 5) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF); and

The global environmental impacts generated by this project are directly related to the implementation of the commitments made by Chile's NDC, and have important benefits in the areas of mitigation, adaptation, capacity building and finance. The design of a tracking system for the NDC and the innovative elements contained, are thought not only to be coherent with the Article 13 of the PA related to transparency, but also with the NDC implementation and its evaluation describe in article 4.

The purpose of having metrics for adaptation actions and the coordination-enhancing activities among different government levels, will improve the ability to incorporate climate change into the everyday agenda. Also the advanced tools on GHG emission-projections and the capacity building on impacts assessment will permit Chile to improve its policy planning, enabling decision makers to have better information about climate-related policies. This will be crucial when the country decides to increase its level of ambition to collaborate with the global warming goal.

### 6) Innovation, sustainability and potential for scaling up.

The project aims to develop structures, processes, as well as the necessary capacities with regard to a real and clear need: enabling compliance with the NDC. In March 2017 a new Division of Climate Change was created to replace the former Department of Climate Change, in order to increase the importance of this issue into the national agenda and strength the institutional capacities. This will lead in better commitments and involvement from different sectors

which can assure the sustainability of this project, since the outputs are design to help Chile in the upcoming process of implement its NDC under the Paris Agreement.

The results of the activities submitted to CBIT within this PIF will therefore be used in the long-term simply to satisfy the need of enabling compliance with the NDC. The transparency framework will enable the collection and assessment of relevant data as well as the communication processes and the necessary understanding of the results by policy-makers, thus enabling well-informed policy decision making. In turn, this means that not only can compliance be achieved more easily, but also more cost-effectively. The processes and tools designed under this project will be innovative in the region and will help to set the position of Chile in the negotiations regarding transparency.

The transparency elements to be developed will be integrated with already operational elements like the GHG Inventory and the MRV framework for NAMAs. The requirement to at least biennially report under the ETF means the elements developed with the support of CBIT have to be swiftly implemented and continuously operated, as well as improved over time, based on the lessons learned.

Chile has provided much evidence of its keen interest to comply with UNFCCC-MRV requirements and with the improvement of relevant systems over time by submitting comprehensive BURs early on, and considering any comments for implementing changes where possible.

The aspects addressed with this proposal have a great potential of replicability since this kind of preparation and analysis should be carried out by every country in the next years.

Chile forms part of diverse international platforms which, directly or indirectly, have certain climate transparency components such as the mitigation momentum project or LEDS-LAC. Therefore, the CBIT project can be showcased to other states in the region and globally, providing an innovative benchmark. Moreover, Chile has recently adhered to the NDC Partnership, a fact that could also serve as the proper platform to share these best practices to be created.

2. <u>Stakeholders</u>. Will project design include the participation of relevant stakeholders from <u>civil society organizations</u> (yes  $\boxtimes$  /no $\square$ ) and <u>indigenous peoples</u> (yes  $\boxtimes$  /no $\square$ )? If yes, identify key stakeholders and briefly describe how they will be engaged in project preparation.

The key stakeholders and brief description of their engagement in the project design and preparation is provided in the Table below.

| Name of key stakeholders  | Responsibility/expertise  | Role in the project  |  |
|---|---|--|--|
| Division of Climate<br>Change, Ministry of<br>Environment                             | The Division of climate change is the main coordinator of climate activities in Chile on behalf of the Ministry of Environment. In charge of the elaboration of National action plans, adaptation plans, GHG inventory, MRV guidelines and the reports for the UNFCCC | The role of the Division of Climate Change will be the overall coordination of the activities defined by the project. And they will ensure the efficient communication with the other stakeholders |  |
| Division of information<br>and environmental<br>economics, Ministry of<br>Environment | Department in charge of designing the MRV system of the MBI (CO <sub>2</sub> Tax), also the coordinator of the Chilean Environmental status report.   | They will make part of the coordination system for public institutions that will be established under Outcome 1.1.  They will be trained on how to insert and how to use data in the platform.     |  |

| Division of sustainability and Climate Change, Ministry of Energy | Department in charge of the mitigation action plan of the Energy sector, and also focal point of the PMR project.  | Since the Energy sector is the main emitter in the country, the Ministry of Energy has lead a sectorial mitigation plan to comply with the NDC. The role in the project will be part of the coordination system for public institution and they will be trained in the use of tools for evaluate mitigation impacts and adaptation metrics among                      |
|---|--|---|
| Division of Energy<br>Prospective, Ministry of<br>Energy          | Division in charge of National energy balance elaboration and Energy sector of the National Inventory. Is the division which produces energy projections   | others.  They will be a key part of the NDC monitoring systems, since they provide information on projections related to energy demand. They are also part of the National Inventory System in charge of the energy GHG inventory so they will be an active members in the outcomes 1.1 and 1.2   |
| ODEPA, Ministry of<br>Agriculture                                 | Ministerial Focal point on issues related to Climate change mitigation and adaptation, in charge of the coordination of all institutions of the Ministry of agriculture.   | They will make part of the coordination system for public institutions that will be established under Outcome 1.1.  They will be trained on how to insert and how to use data in the platform. As well they will be an active part in the work on adaptation metrics since they are responsible for the agricultural adaptation plan.                                 |
| Ministry of Foreign<br>Affairs                                    | UNFCCC national focal point and the institution in charge of leading international relation. Division of Environment (DIMA) participates directly in the Independent Association of Latin America and the Caribbean (AILAC) group.                                 | They will make part of the coordination system for public institutions that will be established under Outcome 1.1.  They will be a key member in the group which defined the monitoring system for the NDC and will ensure the coherence with the Paris agreement   |
| Ministry of Finance   | Focal point of the Green Climate Fund and institution in charge of the elaboration of the National Finance Strategy for Climate Change   | They will participate as a part of the working group on outcomes 1.1 and 1.2, and they will be a relevant stakeholder in component 2 of the project, since they will validate the information gathered from other ministers and will use the analysis of the public expenditure as an input in the construction of the National Finance strategy                      |
| Climate Change and sustainability agency                          | Recently created, will be the institution on charge of keeping clean production agreements and engage the private sector in climate activities. They will also help the Ministry of Environment in the local implementation of mitigation and adaptation measures. | They are an institution in charge of application of activities and coordination with private sector, their scope is to help to the compliance of the NDC, their role will be participate in outcomes 1.1 and 1.2 giving relevant information on implementation, participate in the trainings and be part of the working group for defining the system of NDC tracking |

| Members of the Academia | The different academic centers, such as CR2 and Centro de Cambio Global, generate important information on climate change. Academia is considered as members of the regional councils on Climate Change (CORECC) defined in the National Adaptation Plan | scenarios, since they were involved in<br>the MAPS project. They will be invited<br>to participate in training, workshop and<br>meeting in order to have an efficient<br>exchange of knowledge and best |
|-------------------------|--|---|
|                         |  | practices.  |

Additionally to these main institutions, it is considered that other ministries members of the Council of Ministries for Sustainability and Climate Change will be participating in the activities designed specifically for each output.

3. Gender Equality and Women's Empowerment. Are issues on gender equality and women's empowerment taken into account? (yes  $x \square /no$ ). If yes, briefly describe how it will be mainstreamed into project preparation (e.g. gender analysis), taking into account the differences, needs, roles and priorities of women and men.

Although it does not currently have specific national guidelines to mainstreaming gender equality within policies associated with climate change, Chile will integrate this perspective following the statement made by The Commission on the Status of Women (CSW) in its session's conclusion on March 2011. In this occasion, a resolution was adopted for the "Incorporation of Gender Equality and the Empowerment of Women in Policies and Strategies for Climate Change". Therefore, considering part of the results of this project seek to give the country the central elements of a long-term climate change strategy, it will be very important for materializing this policy. The project will therefore seek to build on the past efforts of linking gender issues to climate change. Reference shall be made to the GEF Gender Equality Action Plan (GEAP) to ensure that gender perspectives are introduced into MRV as well as facilitate the involvement of gender actors. In this regard, gender-disaggregation principle will be adhered to during data collection, analysis and reporting. Efforts will also be made to maintain an acceptable gender representation in project management structures (committees, institutional frameworks) and capacity building actions (trainings, workshops). In specific, this project will organize a gender workshop on a topic that will be agreed upon during the PPG stage. The topic of the workshop could be training on how the government has supported building women's and men's resilience, or how women and men have been engaged to adopt climate-smart agriculture practices, etc. Institutions to be consulted on gender engagement will include, but not be limited to: Ministries in charge of gender, the gender focal point for the convention on climate change, civil society organizations as well as research institutions and development partners working in the fields of gender and climate change.

4 Risks. Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable).

| Risk   | Description   | Likelihood | Mitigation alternative   |
|--|---|------------|--|
| Professional and staff turn-over  and As important amount of the activities of this project arrelated to install capacitie in governmenta institutions, there is risk of the migration of the knowledge if there is migration of the technical staff |   | medium     | Periodic training and capacity building activities to broader groups of professionals. Elaboration of guidelines and manual about the use of technical tools |
| Slow or inexistent coordination among institutions   | If there is a lack of communication or participation in the project | low        | Currently there is a high communication flow among stakeholders; to keep this  |

|  | activities there is a risk of<br>not enabling the activities<br>though to be implemented<br>jointly with others<br>institutions                                    |        | situation the activities should<br>be well communicated to the<br>high level authorities and in<br>the case of need to elaborate<br>agreement between<br>institutions.  |
|--|--|--------|---|
| Duplicity of activities among other related projects | Related to the coordination, if there is lack of communication among stakeholders there is a risk to re-do some activities or develop actions with same objectives | low    | The platform to be created and new technologies in the coordination systems will avoid overlapping.   |
| Lack of political willingness                        | If there is a lack of understanding about the country commitments and the project objectives there is a risk of not having the needed political support            | medium | One of the outputs of component 2 is focused on creating awareness at high level decision makers.   |
| Insufficient participation of key institutions       | If there is not enough time assigned to the project activities the outputs have the chance of not being finished   | low    | The sectoral institutions are currently involved in processes and activities related to climate change, the activities tending to build more capacities among public institutions are also thought to create awareness about the importance of transparency and good data and information sharing |

### 5. Coordination. Outline the coordination with other relevant GEF-financed and other initiatives.

The relevant projects which should be aligned and coordinated with the CBIT are outlined in the baseline scenario. Since the MMA is participating in all the projects as coordinator or counterpart, there will be a constant check of the activities and the synergies that can be created among initiatives. Moreover, since MMA is participating in different international platforms such as the Mitigation and MRV Partnership, or the NDC Partnership, there is a great potential to outreach the result and share the lessons learned with other developing countries.

Some of the projects which are strongly related with the objectives of this proposal are:

- 1) LECB- Chile: Phase 2 of this project will help to create capacities in projections and modelling, it will also support activities related to generate information to be placed in the Climate platform. LECB-Chile also supports the implementation of HuellaChile program, which aims to encourage the private sector to develop and report mitigation actions.
- 2) Partnership For Market Readiness (PMR): funded by the World Bank, the PMR project is supporting the development of the MRV system for the Carbon Tax in Chile, the coordination with this initiative will be in the sense of integrate this information in the climate platform in a coherent manner
- 3) Adaptation Fund: This initiative is working on a specific region of Chile where they are developing some metrics to evaluate adaptation and vulnerability variables. This experience will be helpful in the development of output 2.2.

This project will also support Chile to contribute and be an active partner of the CBIT Global Coordination Platform, by updating and exchanging information through the global platform as well as actively participating at the workshops.

- 6. Consistency with National Priorities. Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes ☑ /no□ ). If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, NDCs, etc.
- NAPs: The proposed components are linked to the Chile's NAP, approved in 2014. Among many other issues, the NAP states that it urges to create a platform to collect and report information in an efficient manner, among sectors related to vulnerability and adaptation initiatives, and to share it with the general public. The plan indicates that it is crucial to develop metrics and indicators to monitor the NAP processes in the country and to identify whether the measures proposed are helping to reduce vulnerability and to adapt. The NAP also has a focus on the incorporation of adaptation processes into regional and local policy plans and planning instruments, and it includes among its measures the creation of regional committees for climate change.
- **BUR and NCs:** This proposal is aligned with the national priorities and needs explained in the last BUR and the TCN. Moreover, the capacity building needs identified in the ICA process of the first BUR were also taken into consideration to be addressed in the different component of this project.
- NDC: One of the main objectives of this proposal is to help Chile with the challenges of updating and tracking NDCs. For that reason, the outputs are thought to create the basic elements to assess the ambition, the progress of implementation, the reporting, and the elements of the policy planning, which will help Chile with the NDC compliance.
- 7. Knowledge Management. Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

As stated in the baseline, Chile is already using the approach of public consultation to elaborate different policy elements related to climate change (NDC, Adaptation plans, National Action Plans, etc). The project is thought to use this experience and enhance it. Moreover, the output 1.1 related to a National Climate Platform aims to improve the knowledge management related to climate change including elements of data sharing/gathering and communication approaches.

The consideration of the expertise of different stakeholders is also included especially in the creation of a technical working group to define the best tracking option for the NDC. As mentioned above, Chile aims to be an active partner of the CBIT Global Coordination Platform, exchanging lessons learnt with other countries. The project proposal will therefore define how national CBIT information shall be shared and updated on the global coordination platform. Sharing lessons learnt and experiences under the platform will ensure alignment of Chile's CBIT project with other national, regional and global transparency initiatives.

# PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT<sup>10</sup> OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):

(Please attach the <u>Operational Focal Point endorsement letter</u>(s) with this template. For SGP, use this <u>SGP OFP</u> endorsement letter).

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<sup>&</sup>lt;sup>10</sup> For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required even though there may not be a STAR allocation associated with the project.

| NAME           | POSITION                     | MINISTRY    | DATE (MM/dd/yyyy) |
|----------------|------------------------------|-------------|-------------------|
| Miguel Stutzin | Professional of the          | MINISTRY OF | 05/04/2017        |
|                | International Affairs office | ENVIRONMENT |                   |
|                |                              |             |                   |

### **B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies<sup>11</sup> and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

| Agency               |           | Date       | Project  |            |                     |
|----------------------|-----------|------------|----------|------------|---------------------|
| Coordinator,         | Signature | (MM/dd/yyy | Contact  | Telephone  | Email               |
| Agency name          |           | <i>y</i> ) | Person   |            |                     |
| Kelly West,          | KollyWest | May 19,    | Geordie  | +254207623 | geordie.colville@un |
| Senior Programme     | 1 . 1     | 2017       | Colville | 257        | ep.org              |
| Manager              |           |            |          |            | 1 0                 |
| & Global             |           |            |          |            |                     |
| Environment          |           |            |          |            |                     |
| Facility Coordinator |           |            |          |            |                     |
| Corporate Services   |           |            |          |            |                     |
| Division             |           |            |          |            |                     |

# C. ADDITIONAL GEF PROJECT AGENCY CERTIFICATION (APPLICABLE ONLY TO NEWLY ACCREDITED GEF PROJECT AGENCIES)

For newly accredited GEF Project Agencies, please download and fill up the required <u>GEF Project Agency Certification</u> of Ceiling Information Template to be attached as an annex to the PIF.

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<sup>&</sup>lt;sup>11</sup> GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT