Funding Proposal

FP120: Chile REDD-plus results-based payments for results period 2014-2016

Chile | Food and Agriculture Organization of the United Nations (FAO) | Decision B.24/09

4 December 2019

GREEN CLIMATE FUND

Food and Agriculture Organization of the United Nations

Version 1.0

Accredited entities are expected to develop a funding proposal in close consultation with the relevant national designated authority and REDD-plus entity/focal point, in response to the request for proposals for the Pilot Programme for REDD-plus results-based payments (Decision B.18/07). The funding proposal should follow the terms of reference of that Board decision and will be assessed per Stage 2 (sections 2 – 5) of the scorecard annexed to the same Board decision.

Programme Title:	Chile REDD-plus results-based payments for results period 2014-2016
Country:	Chile
Results period in this proposal:	2014 – 2016
National Designated Authority:	Trinidad Lecaros, Ministry of Finance
REDD-plus entity/focal point	José Antonio Prado, National Corporation of Forest (CONAF)
Accredited Entity:	Food and Agriculture Organization of the United Nations (FAO)
Date of first submission/ version number:	*[2019-06-10]*
Date of current submission/ version number	*[2019-10-11] [V.4]*

A. Proposed and projected REDD-plus results

Please provide the following information:

Total volume of REDD-plus results achieved in the results period as reported in the country's BUR technical annex (tCO_2eq):	6.136.475 tCO2eq 2014 6.136.475 tCO2eq 2015 6.136.475 tCO2eq 2016 Total 18.409.425 tCO2eq
A= Achieved volume of REDD-plus results offered to the pilot programme in this proposal (tCO_2eq):	Between 2014 and 2016, Chile achieved results on reducing emissions from REDD+ totaling 18.409.425 tCO2e). Chile has not received other REDD+ payments for the results of 2014 - 2016. However, The Nature Conservancy (Los Rios Region) verified a total of 16.724 tCO2e in the period between November 2013 and November 2014, and SNP Patagonia Sur (Los Lagos Region) verified 17 tCO2e between 2014 and 2016. These carbon units will be subtracted from the archived ERs to prevent a double payment situation (more details in section B.2.2 viii). Additionally, as a result of the analysis of the reversal risk potential of the ENCCRV, a reserve fund of 21% of the remaining ERs is established as a buffer for reversals (more details in section C.1.1 vi[1]), accounting for a total of 3.862.464 tCO2e. These considerations result in a total volume of REDD+ results offered to the pilot programme of 14.530.220 tCO2eq.
B= Expected volume of REDD-plus results to be achieved in the following years of the eligibility period (tCO_2eq):	Chile scheduled the second milestone of monitoring for 2021 In order to measure the results for 2018 and 2019 against the current FREL/FRL assessed by the UNFCCC. The results to be achieved in the years of 2017 and 2018 have not been measured. But, during January and February of 2017, Chile suffered the effects of an extraordinary phenomenon called "fire storm", when the center-south zone of Chile (including the regions considered in the FREL/FRL), presented a significant number of forest fires, that were driven by unusual values of air humidity, wind and temperatures. These fires produced an amount of emissions that was several times higher than the average of the country, estimating a total amount of emissions of 72.8 million tCO2eq for the regions between O'Higgins and Bio Bio, While, only in Maule and Biobio Regions, 64,236 hectares of native forest were burned[2]. These numbers indicate that during the year 2017, and because of these extraordinary phenomena, the country did not generate any ER as expected, so the year 2017 will not be considered for any results-based payment instance.

[1] https://www.forestcarbonpartnership.org/sites/fcp/files/2019/July/FCPF%20Buffer%20Guidelines_2015.pdf
[2] http://www.conaf.cl/tormenta_de_fuego-2017/DESCRIPCION-Y-EFECTOS-TORMENTA-DE-FUEGO-18-ENERO-AL-5-FEBRERO-2017.pdf

	During the year 2018, Chile presented a number of forest fires that was closer to the historic average, so it is expected to have results of ER similar to what was reported for the years 2014, 2015 and 2016 (6.136.475 tCO2eq) Given the abovementioned considerations, the results of the following years of the eligibility period would be 6.136.475 tCO2eq (2017 = 0 tCO2eq and 2018 =6.136.475 tCO2eq). Regarding the expected ER for 2018, Chile started negotiation of an Emission Reduction Purchase Agreement (ERPA) with the World Bank[3], and the period considered for the ERPA goes from 2018 to 2025, while the total volume of emission reduction that are being considered for this agreement is 5,200,000 tCO2eq, therefore the indicative results to be achieved for 2018 would be set aside for the fulfillment of the objectives of the ERPA.
A+B =Total volume expected to be submitted to the pilot programme (tCO_2eq):	*14.530.220 tCO2eq*

B. Carbon elements

B.1. Forest Reference Emission Level / Forest Reference Level (FREL/FRL)

Please provide link to the FREL/FRL submission:
https://redd.unfccc.int/files/chile_mod_sub_final_01032017_english.pdf

Please provide link to the UNFCCC Technical Assessment Report:
https://unfccc.int/resource/docs/2016/tar/chl.pdf

B.1.1. UNFCCC Technical Assessment and Analysis process

(i) Consistency of the FREL/FRL: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the consistency of the FREL/FRL with the GHG Inventory, including the definition of forest used. If the report identifies inconsistencies, explain these inconsistencies between the GHG inventory and FREL/FRL, and describe how they will be resolved in the next GHG inventory or FREL/FRL.*

The Technical Assessment Report (TAR) of the modified Forest Reference Emission Level / Forest Reference Level (FREL/FRL) identifies close consistency between the modified FREL/FRL and the National Greenhouse Gas Inventory (GHG-I) submitted with the first BUR and is supported by an entire chapter of the aforementioned document. However, some differences between the FREL/FRL and the GHG-I emissions/removal estimations, which have been duly justified, do exist, however.

For instance, the TAR points out that the emissions from deforestation and forest degradation of the modified FREL/FRL are significantly different from the GHG-I for the same period (2001-2010), this is to say, in the modified FREL/FRL, emissions from deforestation were 3 times higher and emissions from forest degradation were 10 times higher compared with the emissions reported in the GHG-I. Following the Technical Assessment Report release, some editorial mistakes were identified related to the value corresponding to emissions from forest degradation or forest land remaining forest land of the GHG-I. The accurate value is of 15.394.894,00 tons of CO2 instead of 938.196,57 tons of CO2, hence the difference is no longer 10 times as was mentioned in

[3] LOI Signed with the WB, https://www.forestcarbonpartnership.org/system/files/documents/Letter%20of%20Intent%20signed%20Chile.pdf

chapter 9 of the FREL

Chile has provided a detailed explanation of these differences; indicating that the differences in emissions from deforestation were due to better activity data information and a more intensive use of emission factors based on country specific data. As an example, it could be said that activity data is the same in both the modified FREL/FRL and the GHG-I, but in the elaboration of the GHG-I the dates of some Cadastre maps were different from the ones used in the FREL/FRL. See chapter 9 of the FREL/FRL document for more details

Despite the above, it is important to consider that there are certain intrinsic differences between FREL/FRL and GHG-I. The main differences are related to:

- Geographical scope: while the GHG-I scope is national, the FREL/FRL has a subnational scope, covering five regions that represent the 22% of the national territory and contain the 41% of the native forest.
- The treatment of forest plantations: while GHG-I accounts for emissions and removals from forest plantations, these are excluded in the FREL/FRL.

A comparative matrix detailing (based on chapter 9 of FRL/FREL) demonstrating forest land (ha) and emission (tCO_2) distribution by REDD+ activities (deforested areas, degraded areas, areas for conservation and areas for enhancement of forest carbon stock, planted forests, etc.), explaining reasons for differences in FREL and in GHG-I. In the same matrix are also provided definitions for all these four activities considered in FRL and in GHG-I.

With regards to forest degradation, during the FREL/FRL Technical Assessment (TA), Chile explained that the main reason for inconsistencies are related to activity data, the estimation methods (Gain –Loss method in the GHG-I vs Stock –Change method in the FREL/FRL) and the exclusion of carbon stock gains from plantations replacing native forests. Furthermore, in the activity of enhancement of forest carbon stocks, there are significant differences between the FREL/FRL and the GHG–I. In the FREL/FRL the values are 8 times less than in the GHG-I due to the exclusion of removals from forest plantations from the FREL/FRL calculation, which only includes biomass increment from native forests. These differences were explained with detailed and transparent information, taking into consideration that intrinsic differences might exist between the FREL/FRL and the GHG-I, given that the GHG-I has to report all the emissions/removals in the four considered sectors. In the cases where there was no consistency between the FREL/FRL and the GHG-I, Chile provided pertinent reasons, that were considered as well-justified by the TA. It was explained that the FREL/FRL represents an improvement in the use of higher tier methods, enhancing the precision of the estimations. Fundamentally, these differences are generated due to more data availability and the use of more precise methodologies in the FREL/FRL, which were later integrated in the GHG-I submitted with the 3rd Biennial Update Report (BUR).

With regard to the forest definition, the FREL/FRL excluded planted forests, considering only native forests in the definition, while the GHG-I included all types of forests. This exclusion was explained with the fact that more than the 97% of forest plantations have industrial objectives and are composed by single exotic species. More details about the differences in these definitions can be found in paragraphs 34 and 35 of the TAR. The GHG-I and the FREL/FRL have intrinsic differences due to these dissimilar forest definitions, so the results will not be the same. However, to increase the consistency between these two reports the discrepancy between the dates of the Cadaster will be solved in the GHG-I submitted with Chile's fourth BUR in 2020.

As a complement to the aforementioned evaluation, the forest definition to be included in the FREL/FRL was submitted to an evaluation of experts in Chile, through a workshop in which the final adjustments to the forest definition for the purpose of RBPs were agreed. During the FREL/FRL TA Chile stated that plantations will be included in the FREL/FRL once these plantations are used as permanent cover and are consistent with the objectives outlined in the Nationally Determined Contributions (NDCs) under the Paris Agreement

In mitigation, Chile has committed to the sustainable development and recovery of 100,000 hectares of forest land, mainly native, which will account for greenhouse gas sequestrations and reductions of an annual equivalent of around 600,000 tCO_2e as of 2030. This commitment is subject to the approval of the Native Forest Recovery and Forestry Promotion Law. Also, Chile has agreed to reforest 100,000 hectares, mostly with native species, which shall represent sequestrations of about 900,000 and 1,200,000 annual equivalent tons of CO_2 as

of 2030. This commitment is conditioned to the extension of Decree Law 701 and the approval of a new Forestry Promotion Law[4].

(ii.a) Data source of the FREL/FRL: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the data used for the construction of the FREL/FRL, specifying whether the FREL/FRL is based on historical data and is equal to or below the average annual historical emissions during the reference period.*

The subnational FREL/FRL is based on an annual average emissions/removals of CO2. The activity data used for its construction was based on a historical reference period drawn from the national land use Cadastre, period 1997 -2012. The Cadastre is a project that started between 1993 and 1997, with periodic updates of the spatial database, and contains information on land use, with special attention to native and planted forests. This data constitutes the baseline of the land use information of the country and is used in several reports and as an input to elaborate public policy. This information was complemented with the use of Landsat time series images to obtain the AD. On the other hand, the information on emission factors were obtained from the Forest National Inventory, established for the period 2001-2010, together with additional national research developed by the Forest Institute (INFOR) and the Universidad Austral de Chile.[5]

During the TA, the TTE noted that the original FREL/FRL was constructed using different reference periods for each region and activity, resulting in a matrix of FREL/FRLs, this was due to the different availability of information, in particular, of different cadastre years. This problem was partially solved by Chile, presenting a modified FREL/FRL that considered two reference periods using interpolation methods: 2001-2013 for activities and sub-activities related to land use change, and 2001-2010 for activities or sub-activities that occur in permanent forest.

(ii.b) If a country is considered HFLD: *Please provide the basis/justification for this classification.* N/A

(ii.c) FREL/FRL adjustments for a HFLD country: *If adjustments made, please provide information that the adjustment does not exceed 0.1% of the carbon stock over the eligibility period in the relevant area and/or exceed 10% of the FREL/FRL to reflect quantified, documented changes in circumstances during the reference period that likely underestimate future rates of deforestation or forest degradation during the eligibility period* N/A

(iii) FREL/FRL in accordance with 12/CP.17: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the quantified estimate of the FREL/FRL. Include whether the FREL/FRL was constructed in accordance with the guidelines in Decision 12/CP.17; specifically on the modalities for FREL/FRL and whether the raised issues were material or not material to the quantified estimate of the FEEL/FRL.*

The FREL/FRL construction was developed using the IPCC 2006 "*Guidelines for National Greenhouse Gas Inventories*". As stated in paragraph 37 of the TAR. The data and information used in the construction of the FREL/FRL for the four REDD+ activities are transparent, complete, consistent, accurate and in accordance with the guidelines for submission of information on FRELs/FRLs, as contained in the annex to decision 12/CP.17. Furthermore, the TA highlighted (in paragraph 38 of the TAR) the willingness of Chile to implement a stepwise approach to improve the FREL/FRL in relation with the inclusion of new activities and biomes. Chile is currently making efforts to develop stock charts for different forest types and develop historic and current land use maps for different biomes of the country, such as the Mediterranean region, with the intention of developing a FREL/FRL with an extended geographical coverage and improvements in the methodologies.

(iv) FREL/FRL transparency: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the transparency of the FREL/FRL and whether significant issues were raised and resolved. If applicable, provide a plan on how to address and overcome issues*

[4] https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Chile%20First/INDC%20Chile%20english%20version.pdf
[5] In mitigation, Chile has committed to the sustainable development and recovery of 100,000 hectares of forest land, mainly native, which will account for greenhouse gas sequestrations and reductions of an annual equivalent of around 600,000 of CO2 as of 2030. This commitment is subject to the approval of the Native Forest Recovery and Forestry Promotion Law. Also, Chile has agreed to reforest 100,000 hectares, mostly with native species, which shall represent sequestrations of about 900,000 and 1,200,000 annual equivalent tons of CO2 as of 2030. This commitment is conditioned to the extension of Decree Law 701 and the approval of a new Forestry Promotion Law.
https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Chile%20First/INDC%20Chile%20english%20version.pdf

that were not material to the transparency of the FREL/FRL raised in TA Report that couldn't be resolved due to time and data restrictions.

The TAR of the FREL/FRL indicates, in paragraph 39, that several issues regarding transparency of the information were addressed in the modified FREL/FRL, improving the reproducibility of the calculations. For instance, in the first presentation of the FREL/FRL, most of the relevant methodological information was included in annexes. Though the exchange of opinions between the TTE and Chile, a modified document was elaborated, including detailed methodological descriptions in the main body of the document, which lead to an important improvement with regard to the principle of transparency. Additionally, in the modified FREL/FRL the approach and the values used for the construction of the report were changed, enhancing the transparency and completeness of the information. On the same line, the additional data and information provided by Chile facilitated the TA of the submitted report.

To further improve the transparency of the construction of the FREL/FRL, Chile planned to generate an integrated platform that allows the storage and dissemination of spatial and database information, together with the semi-automated generation of reports and the visualization of results (paragraph 22 (a) of the TAR). This platform is being developed by an external consultant, and the MRV module of the platform is planned to be completely functional by the beginning of 2020.

(v) FREL/FRL completeness: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the understanding of the FREL/FRL and whether significant issues were raised and resolved. If applicable, provide a plan on how to address and overcome issues that were not material to the completeness of the FEL/FRL raised in TA Report that couldn't be resolved due to time and data restrictions. Include information that allows for the reconstruction of the FREL/FRL.*

The modified submission of the FREL/FRL significantly improved the transparency and completeness of the information. Also, the data presentation was improved, and the details of the applied methodology were included in the main body of the document, including the description of methods and data sources enhanced the replicability of the calculated estimations.

In the original submission of the FREL/FRL, the Technical Team of Experts (TTE) indicated that some data was presented in tables that did not allow the assessment completion, the detailed information of the methodology was presented in annexes and also areas of improvement could not be identified. Chile addressed all these issues in the modified submission and after that the TA did not present relevant issues that were not addressed and solved to fulfill the completeness of the FREL/FRL.

(vi) FREL/FRL consistency: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the consistency of the methodology used over the time series used for the construction of the FREL/FRL, and whether significant issues were raised in the report and resolved. If applicable, provide a plan to address and overcome issues that were not material to the consistency of the FREL/FRL raised in TA Report that couldn't be resolved due to time and data restrictions.*

The applied methodology in the FREL/FRL construction is based on the activity data extracted from the historical series data included in the land use Cadastre made by CONAF (period 1997 to 2012). Due to budget and operational limitations, the Cadastre has a database with different base years for Chilean regions. This information is provided for all the activities included in the FREL/FRL. During the AT, the TTE pointed out that Chile could ensure more consistent time series by using the same satellite data sources (e.g. from Landsat or RapidEye), leading to an improved consistency of AD considering spatial and temporal resolution (paragraph 41 of the TAR). This recommendation was considered by Chile, and the new maps of land use and land use change are being developed using Landsat data only, these maps of land use were used in the REDD+ technical annex of results and are based in remote sensing analysis, this maps will allow Chile to increase the consistency of the results by using a single source of information and a common date for all the regions, differing from the current time series of data, that has different years of maps for each region, using several sources of data..

During the TA, a comparison of datasets were carried out between the activity data for deforestation presented by Chile and the datasets from Global Forest Watch (GFW)[6], that uses Landsat time series analysis. The TAR

[6] https://www.globalforestwatch.org/map/country/CHL

identified the differences between these results, pointing out that the differences in forest loss for some years were explained in the definition of land use and forest definition that the national Cadastre considers, against the land cover based definition used by GFW, which doesn't consider the same forest definition.

(vii) FREL/FRL accuracy: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the accuracy of the FREL/FRL and whether significant issues were raised and resolved. This should include information on whether the data and methodologies used neither over- nor under-estimate emissions and/or removals during the reference period. If applicable, provide a plan to address and overcome issues raised in TA Report that were not material to the accuracy of the FREL/FRL and that couldn't be resolved due to time and data restrictions.*

The submitted modified FREL/FRL presents an extensive use of Tier 2 and 3 methods, which increased the precision of the estimations. For the forest degradation, Chile used a tier 3 method consisting mainly on the use of the density graph (stock chart) of the Roble-Rauli-Coihue forest type, developed by Bahamondez et al. (2009)[7] , and in order to improve the accuracy of the estimates, Chile is currently making efforts to achieve a better development in this activity by including density graphs for other forest types. The FREL/FRL represents an improvement in terms of use of higher-tier methods in comparison with the GHG-I included in the first BUR, which leads to a better precision of the emission/removal estimations.

(viii) Sources of emissions: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to whether all activities listed in paragraph 70 of UNFCCC decision 1/CP.16 ('REDD-plus activities') that are a significant source of emissions were included. If they were not, justify whether activities that are significant sources of emissions were not included due to lack of data and/or whether the omission overestimates emissions or underestimate removals. Provide also a plan to include all data on all REDD-plus activities that are significant sources of emissions in future FREL/FRL submissions.*

The Activities indicated in paragraph 70 of decision 1/CP.16 included by Chile in its FRL/FREL are reduced emissions from deforestation, reducing emissions from forest degradation, forest conservation and enhancement of forest carbon stocks.

Chile explained that, in the case of the activity of sustainable management of forests, owing to a lack of geographic data to identify explicitly the areas subject to this activity, Chile decided to include the carbon stock changes resulting from sustainable management of forests under the activity of reducing emissions from forest degradation (if the result is an emission) or under enhancement of forest carbon stocks (if the result is a removal), it means that activities were not omitted. The AT highly commends Chile for increasing the transparency of the information relating to the exclusion of this activity and by including instead the carbon stock changes from this activity in two other selected activities in the modified submission.

However, in order to provide an idea of the scale of the significance of emissions / removals of managed native forest, the following table presents an average of area under management in the 5 regions where the results are achieved:

Region	Average Area 2001-2010 (Ha)
Maule	33,979.6
Biobío	29,508.1
Araucanía	79,149.0
Los Ríos	118,930.0
Los Lagos	130,766.7
Total	**392,333.3**

Source: CONAF. Legal and Administrative Department

The average annual area under management represents 6.7% of the total area of native forest in the 5 regions (total area of native forest: 5,853,387 hectares)

[7] Bahamóndez C, Martin M, Muller-Using S, Rojas Y and Vergara G. 2009. Case Studies in Measuring and Assessing Forest Degradation: An Operational Approach to Forest Degradation. Forest Resources Assessment Working Paper. Rome: Forestry Department, Food and Agriculture Organization of the United Nations.

Besides, according to the legislation, the following are the management activities allowed in native forest:

- Thinning, elimination control of invasive alien species, felling forest burned, recovery felling, preparatory felling, regeneration felling, stripped, ecological enrichment, supplementary planting, thinning to waste, reforestation, revegetation, direct sowing.

- Intermediate felling, sanitary felling, trimming, low trimming, trimming for non-timber purposes, thinning, thinning for non-timber purposes, shape trimming and productive thinning.

- Tree banding and thin thinning.

In conclusion, it can be affirmed on the one hand that it is a non-significant activity in terms of emissions or removals since only 6.7% of the total is under management. On the other hand, due to the permitted management activities it is difficult to consider the managed native forest as source of degradation as suggested by the team of experts in paragraph 33 of the technical assessment report.

(ix) Significant pools: *Please provide any additional information that supplements the information contained in the Technical Assessment Report in relation to the inclusion of the most significant pools. If applicable, justify whether significant pools were not included due to lack of data and/or the omission does not overestimate emissions or underestimate removals. In addition, provide a plan to include all significant pools in future FREL/FRL submissions.*

The carbon pools considered in the modified FREL/FRL included the above and below ground biomass for all REDD+ activities. Dead organic matter was considered for conservation, deforestation and degradation activities. This pool was not included in the enhancement of forest carbon stock activity due to the unavailability of information regarding the rate of dead organic (DOM) matter accumulation in areas converted to native forest.

In the original FREL/FRL presentation Chile included the SOC pool, but then it was excluded in the modified submission due to the lack of information at national level and also to guarantee consistency with the GHG-I which also excludes SOC, hence consistency between these two reports is maintained. This exclusion is due to the lack of accuracy of existing information at continental level sources, leaving this pool out of the FREL/FRL. This omission of the SOC pool was justified by the TTE due to the lack of national data to describe the rates of changes in this pool (paragraph 42 of the TAR). Another difference between the original and the modified submission of the FREL/FRL occurred in the dead organic matter (DOM) pool, that was included in the estimation of the enhancement of forest carbon stock activity in the original submission, but then, in the modified FREL/FRL, Chile decided to exclude this pool because significant changes are not expected in the activity of forest carbon stock enhancement during the reference period.

Despite the TA comments that emissions from SOC could be significant when forest lands are converted to other land uses, the exclusion of SOC was considered as conservative in the case of enhancement of forest carbon stocks, because this pool is not expected to decrease in this activity. In order to support this decision, an estimation of the emissions from soil organic carbon (SOC) for deforestation was done using Tier 1 methodology which determined that emissions from SOC were 128.005 tCO_2e/year, compared with the 1.653.819 tCO_2e/year emitted from the living biomass and dead organic matter pools. representing 7,7 % of the total emissions. In addition to that, the exclusion of this pool is in compliance with criteria nº 4 of the Carbon Fund Methodological Framework, of which Chile is a participant, that highlights the fact that the exclusion of this pool can underestimate the estimation of emission reductions.

In summary, there is a recognition for the efforts made to have better information regarding DOM and SOC, with the aim to include these pools in a stepwise process and in future submissions or exclude them if there is evidence that changes in these pools are not significant. An improvement area has been identified and Chile stated that continuous efforts are underway in order to include emissions factors and activity data related to SOC fluxes.

(x) Emissions from gases: *Please provide any additional information that supplements the information contained*

in the Technical Assessment Report in relation to the inclusion of all gases that are significant sources of emissions. If not all of the gases were included, justify whether gases that are significant sources of emissions were not included due to lack of data and/or whether the omission overestimates emissions or underestimates removals. Provide also a plan to include all significant pools in future FREL/FRL submissions.

The GHG gases included in the FREL/FRL are emissions/removals of CO2 for the four selected REDD+ activities, and additionally, an estimation of non-CO2 (CH_4 and N_2O) from forest fires was included and was considered as a sub-activity of the forest degradation activity. The inclusion of non-CO_2 GHG was done by using the appropriate equations and factors of the IPCC 2006 Guidelines. In the case of gases, the TTE noted that significant emissions were not excluded.

(xi) IPCC guidance for FREL/FRL*: Please indicate if the whether the construction of the FREL/FRL (data, methodologies and estimates) was guided by 2003 GPGs or 2006 GLs.*

The IPCC 2006 guidelines were applied for the construction of the FREL/FRL as a basis for the estimation of emissions and removals resulting from the four REDD+ activities.

(xii) Issues related to applying IPCC guidance: *Please mention any significant issues related to the application of IPCC GLs/GPGs as raised in the TA report. Include any significant issues that are material to the alignment with the methodologies of the IPCC GLs/GPGs that were raised in the TA report and whether significant issues were raised and resolved. If applicable, provide a plan to address and overcome issues raised in TA Report that were not material to the application of IPCC guidance and that couldn't be resolved due to time and data restrictions.*

The TAR of the FREL/FRL mentions, in paragraph 11, that Chile used the guidelines and guidance provided in the IPCC Guidelines for National GHG-I as a basis for the estimation of changes in carbon stocks and non-CO_2emissions, regarding the four reported activities.

One of the main aspects discussed during the original FREL/FRL submission was the possibility of using the same reference period for all REDD+ activities in the selected regions. This is because historical data availability is different for the different activities in each region, which resulted in a FRL/FREL matrix. Due to this complexity, the TTE suggested that Chile could use the same reference period by using the tools described in the IPCC Guidelines. In response to that, Chile presented a modified version with two reference periods: 2001-2013 for activities and sub activities that are due to land use changes, and 2001-2010 for activities in permanent forest (forest land remaining forest land), this was possible by using the IPCC 2006 guidelines regarding interpolation of data, allowing to have a single reference period (2001-2013) for activities that are due to land use changes. The modified submission standardized the historical reference period and reduced the number of references periods, but in future submissions Chile could present a single common reference period for all REDD+ selected activities.

With regard to the SOC, even though the TA commends Chile's efforts to obtain better information, the TA noted that the IPCC 2006 Guidelines include a method for estimating changes in carbon stocks using default emission factors, although the exclusion of the SOC was justified by the high uncertainty of the default emission factors and because of the lack of national information on the rate of changes in this pool, identifying this issue as an area for future improvement (paragraphs 31 and 42 of the TAR).

B.1.2. Additional criteria related to FREL/FRL

(xiii) Reference period for the FREL/FRL: *Please indicate the reference period (number of years) applied for the construction of the FREL/FRL.*

The subnational NREF/NRF presented by Chile considers two reference periods, that use different interpolation methods:

1. 2001-2013 (13 years) for activities and sub activities related to changes in land use (deforestation, substitution, increase in forest area and restitution): The interpolation was performed using the following equation, that allowed to obtain an annual area of change for the activities:

$$A_i = \frac{A_{p1} - A_{p1}\left(\frac{b_{p1}}{t_{p1}}\right) + A_{p2} - A_{p2}\left(\frac{b_{p2}}{t_{p2}}\right)}{t_{p1} + t_{p2} - b_{p1} - b_{p2}}$$

Where:

Ai = Annual area of change (ha)
Ap = Area of change in period p (ha)
b = Interpolation time
t = Period time p (years)

2. 2001-2010 (10 years) for activities that occur in permanent forest (conservation, degradation in permanent forest and recovery of degraded forests): In this case the activity data was estimated by dividing the total emissions/removals by the number of years of the reference period (10), obtaining an annual estimate.

(xiv) If previous reference level submitted: *Please indicate whether a previous reference level applying to the same area was submitted. If so, describe the difference between the emissions and removals used for the previous one and the current one. Describe any adjustments made to the current FREL/FRL compared to the previous one, if applicable.*

(xv) Uncertainties: *Please indicate whether the country has provided information on aggregated uncertainties of the emissions or removals estimate, taking into account national capabilities and circumstances, and if so, indicate the percentage of aggregate uncertainties and provide information on assumptions and sources. If applicable, indicate the process implemented to minimize systematic and random errors.*

The FRL/FREL submitted by Chile presents an aggregated uncertainty of 33.4%. This analysis uses non-weighted error propagation when the parameters are multiplied directly to estimate the final result (i.e. in order to estimate the emissions from deforestation a direct multiplication between the loss of forest lands with the emission factor of the land use change); while the weighted error propagation was applied when the parameters were added to estimate the final result i.e. removals due to carbon increment resulting from the direct sum of increases from non-forest land to forest land and increment in forest land remaining as forest lands (IPCC Guidelines 2006, equations 3.1 and 3.2). The uncertainty calculation was presented separated by activity, subactivity, region, carbon pool, and parameters utilized to estimate emissions and removals of carbon pools. The aggregated uncertainty (33.4%) was calculated by performing an error propagation through each individual activity and weighting the uncertainties.
.

Among the assumptions considered for the uncertainty calculation, the FREL/FRL considers, for instance, that for the annual mean increment for the adult Alerce forest type, the highest error of the mean annual increment was used in order to be conservative. The same criterion was applied with the annual mean increment of the young Alerce forests and all Araucaria forest types. These assumptions were taken into account to consider a conservative scenario regarding uncertainty, taking into consideration the highest possible value of error. As another example, for the mixed forest type it is assumed that the mean annual increment is the average of all forest types due to the lack of specific information.

(xvi) Please indicate whether different FREL/FRLs have been used for different funding sources or other purposes, and if so, list and describe them.

Chile has not used different FREL/FRL for different funding sources or for other purposes. The same FREL/FRL was used as reference level to participate in the REDD+ approach of the Forest Carbon Partnership Facility

(FCPF)

B.2. REDD-plus Results reporting

Please provide link to the BUR technical annex containing REDD+ results: https://unfccc.int/documents/185269

Please provide link to the UNFCCC Technical Analysis Report: https://unfccc.int/documents/199734

B.2.1. UNFCCC Technical Analysis

(i) Consistency of results with FREL/FRL: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the consistency of the reported results in the technical annex to the BUR with the FREL/FRL (including the inclusion of same pools, activities and gases).*

Chile reported the results of the implementation of the four activities (for the periods 2014–2016 for activities resulting in a land-use change and 2011–2015 for activities occurring in forests remaining forests), which amount to a total reduction of emissions of 6,136,475 t CO2eq per year and were measured against the assessed FRELs/FRLs for the activities during the corresponding reference periods, 2001–2013 when there is a land-use change and 2001–2010 when there is no land-use change.

The data and information provided in the technical annex are in overall accordance with the guidelines contained in the annex to decision 14/CP.19. The TA concluded that the data and information provided by Chile in the technical annex are transparent and, to the extent possible, consistent with the assessed FRELs/FRLs established in accordance with decision 1/CP.16, paragraph 71(b), and decision 12/CP.17.

During the technical analysis process of the technical annex (TA) , the technical team of experts (TTE) noted that Chile was using different emission factors for the activities that involve land use change when comparing the FREL/FRL with the Technical Annex. These emission factors were used because of the new availability of data coming from the National Forest Inventory (NFI) . Despite the existence of updated data, the experts considered that this could compromise the consistency with the assessed FREL/FRL. In response to that, Chile made recalculations using the same emission factor as in the FREL/FRL, this recalculated data was submitted in a revised technical annex on August the 9th of 2019, the revised TA presented updated results consistent with the assessed FREL/FRL.

The experts noted that, with the revised version of the technical annex, Chile ensured consistency to the extent possible with its assessed FREL/FRL. Furthermore, Chile ensured overall consistency between its assessed FREL and estimation of results by: the inclusion of the same gases, the same areas , the same forest definition, the inclusion of the same carbon pools and activities and using consistent emission factors for above and below-ground biomass for deforestation and forest degradation by substitution, these EF were derived from the same source: the first cycle of the National Forest Inventory.

The experts also noted that Chile used consistent methodologies to estimate carbon stocks, using a mixture of IPCC tier 2 and 3 approaches. To determine the degradation activity, Chile used a consistent tier 3 method defined by stock chart of the Roble-Rauli-Coihue forest type. Despite the fact that currently Chile has stock charts for other forest types, the country decided to use a single stock chart for the estimation of results in order to maintain the consistency with the FREL/FRL.

Other issues regarding the consistency of the AD were raised during the TA, this topic and the ways Chile plans to overcome them are elaborated in the following points (iv and v)

A summary of the Reduced Emission by REDD+ Activity can be seen in the following table:

REDUCED EMISSIONS BY REDD+ ACTIVITY					
Region	ER for Deforestation ($tCO_2e\ year^{-1}$)	ER by Degradation ($tCO_2e\ year^{-1}$)	ER for enhancement of stocks ($tCO_2e\ year^{-1}$)	ER for Conservation ($tCO_2e\ year^{-1}$)	ER Total ($tCO_2e\ year^{-1}$)
Maule	64,219	31,374	-474,953	-30,897	-410,257
Biobío	259,242	-2,264,554	-618,607	-548,398	-3,172,317
La Araucanía	225,686	-1,104,070	-310,795	-553,755	-1,742,935
Los Ríos	412,770	-71,952	210,818	-411,847	139,789
Los Lagos	-813,405	-1,121,530	10,192,463	3,064,667	11,322,194
Total	148,513	-4,530,732	8,998,925	1,519,769	6,136,475

(ii) Transparency of the data: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the transparency of the data and information provided in the technical annex (i.e. whether information has been provided to provide an understanding of how UNFCCC guidance on results reporting has been addressed). Include information on significant issues raised in the Technical Analysis Report and whether these were raised and resolved. If applicable, provide a plan on how to address and overcome issues raised in the Technical Analysis Report, that were not material to the transparency of the data on results and that could not be resolved due to time and data restrictions.*

The Technical Annex submitted by Chile provides all the spreadsheets with the necessary data and formulas for the reconstruction of the results for all the activities, along with the calculation for the uncertainty. In addition, each section of the technical annex provides a detailed explanation of the methodology and the considered assumptions, while additional technical information can be found in the footnotes of the document, that contain details of the calculation of the REDD+ results for all the activities, increasing the transparency of the methods and AD used (TATR, paragraph 18).

During the Technical Analysis of the Technical Annex Chile provided additional information, particularly regarding uncertainty analysis, the data from the national forest inventory, and the cadastre and land use change maps. The technical team of experts commended Chile for its efforts to increase the transparency. The experts also commended Chile for making the maps used in the Annex publicly available, via weblinks in the footnotes of the document or in the webpage of CONAF's Territorial Information System[8]. Giving these considerations, the TTE stated that the data and information provided by the party was considered transparent to the extent possible

(iii) Completeness of the data: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the completeness of the data and information provided in the technical annex (i.e. whether information has been provided that allows for the reconstruction of the results). Include information on significant issues raised in the Technical Analysis Report and whether these were raised and resolved. If applicable, provide a plan on how to address and overcome issues raised in the Technical Analysis Report, that were not material to the completeness of the data on results and that could not be resolved due to time and data restrictions.*

The Technical Annex provided by Chile contains all the necessary data to reproduce the calculation of the REDD+ results. During the process of technical analysis, the Technical Team of Experts was able to reproduce the same results presented by Chile in all of the REDD+ activities. During the Technical Analysis, the Technical Team of Experts asked for additional information regarding the details of the re-measurements and sampling design of the National Forest Inventory. Chile responded by sending the documents with all the requested details. In addition, details about the uncertainty calculations were asked and the worksheets with the calculations were delivered. The LULUCF commended Chile for its efforts to ensure the completeness of the data and information provided, that included all the necessary information for the reconstruction of the results

[8] http://sit.conaf.cl

(iv) Consistency of the data: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the consistency of the data and information provided in the technical annex (i.e. data and methodologies were applied consistently over the results time series). Include information on significant issues raised in the Technical Analysis Report and whether these were raised and resolved. If applicable, provide a plan on how to address and overcome issues raised in the Technical Analysis Report, that were not material to the consistency of the data on results and that could not be resolved due to time and data restrictions.*

The data used for the construction of the Technical Annex of REDD+ results comes, in the case of the Emission Factors (EF), from the National Forest Inventory, and in the case of the Activity data (AD) related to land use changes, from the cadastre maps and the maps of land use change.

In the case of the EF, the experts noted that, Chile used different emission factors in the FREL/FRL and the Technical Annex, that were derived from the first and the second cycle of the National Forest Inventory respectively. After the Technical Assessment week, Chile decided, in order to maintain consistency with the FREL/FRL, to resolve the issue delivering a revised version of the technical annex, that was recalculated using the same emission factor used in the FREL/FRL for the results estimation. With these changes, the experts noted that Chile ensured consistency with the EFs applied.

In regard to the activity data, the experts noted that Chile used an alternative methodology to gather the information regarding land use changes for the estimation of results. The methodology that was used for the FREL/FRL was based on the data of the "Cadastre and evaluation of vegetation resources of Chile" project, while for the estimation of the results, land use change maps were derived from spectral classification. During the technical assessment, Chile explained that the polygons from the cadastre were used as a base map on which the land use changes were detected. Additionally, the collection of imagery for both the cadastre and the land use change maps used for the technical annex is also consistent during the dry period months (from November to March). This approach was used because it was not possible for Chile to generate AD biennially using the cadastre methodology, mainly because of the higher costs that it presents, the view of these considerations, the technical experts considered that the results presented by Chile were consistent to the extent possible with the FREL/FRL, and according with the current national capacities and capabilities. See section (v) below on how Chile plans to implement and improve the second FREL/FRL regarding this issue.

(v) Accuracy of the data: *Please provide any additional information that supplements the information contained in the Technical Analysis Report in relation to the accuracy of the data and information provided in the technical annex (i.e. whether it neither over- nor under-estimates emissions and/or removals). Include information on significant issues raised in the Technical Analysis Report and whether these were raised and resolved. If applicable, provide a plan on how to address and overcome issues raised in the Technical Analysis Report, that were not material to the accuracy of the data on results and that could not be resolved due to time and data restrictions.*

The Technical Analysis Report showed that Chile has made several efforts to increase the accuracy of the data used for the construction of the Technical Annex of REDD+ results. These efforts are reflected in the National Forest Monitoring system that, via an intersectoral institutional arrangement, is able to produce and deliver transparent and accurate information and data on activities that involve land use change and activities in permanent forest, together with emission factors extracted from the National Forest Inventory. The experts commended Chile for these efforts, acknowledging the long-term efforts of Chile to build a robust NFMS.

Regarding the accuracy of the Activity data, the experts noted that the methodologies for estimating land use changes were different. In response to that, Chile clarified that, the methodology used to estimate land use change in the results period is an update of the methodology used in the reference period AD estimated for the FREL/FRL that is based on high and medium resolution imagery. The AD estimation for the FREL/FRL has three steps: 1) estimate land used applying visual interpretation and establishing a 0,5 ha minimum map unit 2) land use maps are intersected to identify land use change areas without setting a minimum map unit 3) activity data is derived from the initial and final land uses of the land use changes maps.

To estimate AD for the results period medium resolution imagery is used on (i.e. 30 m Landsat imagery) with a spectral index combination to identify land use changes. The minimum map unit was 0,27 ha (3 pixels of Landsat) to ensure the exclusion of potential artefacts. The thresholds chosen to define land use change for the spectral index were set using the ground truth data and high-resolution imagery for the training phase, to

ensure the AD was reliable and accurate. These land use change maps are based on the information and the geometry of the polygons contained in the cadaster, detecting the land use changes and modifying (e.g. splitting or changing the attributes) of the existing polygons, hence decreasing the chance of falling in an under or over estimation. Then, the changes in land use of the maps used in the results period are validated using high resolution data, ensuring the accuracy of the results. Furthermore, AD estimated in both (FREL/FRL and Results period) share common criteria, and the same land use categories.

The experts noted, as an area for future technical improvement, that Chile might want to consider recalculating the entire set of AD using satellite imagery with the same classification approach to enhance the accuracy in future submissions of the FREL/FRL.

To address this issue, Chile is currently calling, via public tender, for a consultant to develop land use change maps for the period 2001-2013, that will allow to have a consistent reference period (not using interpolation) and to have a complete time series made of spectral-based land use change maps. The name of the consultancy is "Update of Historical Maps of Land Use and Land Use Change for the update and expansion of the FREL / FRL, period 2001-2013". Once these new maps are elaborated, this Activity Data will be included in the updated FREL/FRL, following the stepwise approach suggested by the Technical Team of Experts.

(vi) Indicate the number of years that took place between the last year of the FREL/FRL period, and the year corresponding to the results being proposed for payments:

The last year of the FREL is 2013, and the years corresponding to REDD-plus results submitted to the GCF for payments are 2014, 2015 and 2016, respectively 1, 2, and 3 years from the last year of the FREL.

B.2.2. Additional criteria related to the achieved results

(vii) Uncertainties: *Explain whether the country has provided information on aggregate uncertainties of the results, taking into account national capabilities and circumstances. Include the percentage of aggregate uncertainties and provide information on assumptions and sources. If applicable, indicate the process implemented to minimize systematic and random errors.*

Chile presented an aggregated uncertainty of the results of 38.43%, just as in the FREL/FRL, this analysis was performed using weighted error propagation when the parameters were added to estimate the final result, while non-weighted error propagation was used when the parameters were multiplied directly to estimate the final result. For these calculations, the equations 3.1 and 3.2 of the IPCC 2006 Guidelines were applied.

The uncertainty calculation was presented separated by activity, sub activity, carbon pool and region, including the and parameters utilized to estimate emissions and removals of carbon pools. The aggregated uncertainty was calculated by performing an error propagation through each individual activity and weighting the uncertainties.

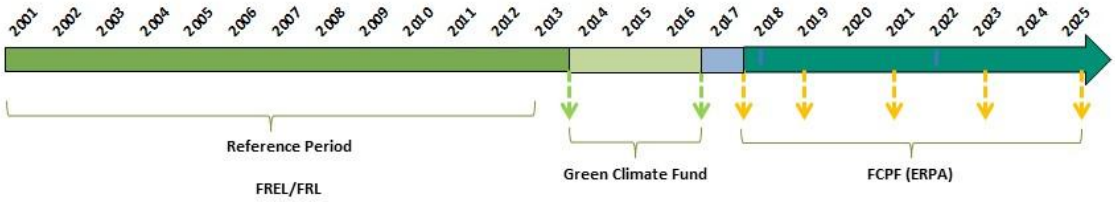
(viii) Preventing double payments:

- *Provide information on payments that have been, or are expected to be received from other sources of funding for results recognized by the country for the same area for the same period, for which the country is applying for payments from the GCF.*
- *Include relevant information regarding the payments paid or expected to be paid, including the year(s), results volume in tCO2e, quantities for which payments were received/are expected to be received, and entity/entities paying for the results as well as any type of agreement involved.*
- *Provide sufficient assurances that the results that have been paid, or are expected to be paid for by other sources (or are under any type of analogous agreement) been excluded from the volume offered to the GCF.*
- *Provide a description of measures to ensure that the results paid by the GCF will not be transferred, offered for future payment or otherwise used (for example for offsets) and information on how the results proposed for payment by the GCF will be treated or used.*

- *Provide information on how different financing contributed to the achieved results.*

The years included in the period considered for the current results-based payments from the GCF (2014, 2015 and 2016), are not being offered to other instances of results-based payments and are neither going to be offered in the future. This will be ensured given the official designation of CONAF as the national agency in charge to manage REDD+ RBP, and the legal and institutional arrangements established at regional and local level with relevant counterparts through bilateral agreements, might be considered as relevant measures to mitigate the risk of competing ER title among different agencies. As an additional measure to avoid any risk of competing ER title among different agencies or any other arrangement, CONAF has agreed with the FCPF of the WB that the negotiation of an Emission Reduction Purchase Agreement (ERPA) will take into account mitigation results ulterior to 2017.

After the submission of the ER Program to the FCPF's Carbon Fund, Chile started the negotiation of and Emission Reduction Purchase Agreement (ERPA) with the World Bank. This ERPA considers the same area as the GCF results-based payments (Maule to Los Lagos Regions) but different periods. The total volume of emission reduction that are being considered for this agreement is 5,000,000 tCO2eq. The periods considered for the ERPA goes from 2018 to 2025. The details of the periods for the different funds can be found in the following figure:



Regarding the private voluntary market, CONAF, as focal point for REDD in Chile, has to be informed when a private organization or NGO has the intention of participating in the private carbon market. This is in the process of being formalized as a requirement for projects through the Ministry of Foreign Affairs. Additionally, CONAF is continuously monitoring platforms as the IHS Markit Environmental Registry. There are two recorded private initiatives that matched the period and area considered for GCF results-based payments. The first one is the project called "Avoiding planned deforestation and degradation in the Valdivian Coastal Reserve, Chile (ID: 103000000003275)", developed by The Nature Conservancy and registered in IHS Markit's Environmental Registry[9]. There are no other projects identified outside the 5 regions. According to the verification reports under the VCS standard, this project has verified emission reductions from November 4, 2013 to November 3, 2014, that corresponds to 16,724 tCO2eq, that were validated as GHG credits eligible for issuance as VCUs (Verified Carbon Units). The second one is the project called "Reforestation of degraded lands in the Valle California of Patagonia, Chile (ID: 100000000001189)" with a total of 17 tCO2eq for the years 2014,2015 and 2016, these ERs were also registered in the IHS Markit's Environmental Registry[10]. These credits were subtracted from the total volume of the archived REDD-plus results and considered in the calculation of the achieved volume of REDD-plus results offered to the pilot programme (section A of the FP).

The archived results presented in this proposal were made possible mainly using national resources, focused on the budget of CONAF, as well as with support from other international funds. Currently, this institution has offices all across the country's Regions and Provinces and it manages a total of 101 State-Protected Wilderness Areas among National Reserves, National Parks and Natural Monuments, which add up to 14.56 million hectares. More than 1,800 employees, including professionals, technical and administrative workers, forest rangers and janitors work in the promotion of forest activities, protected wilderness-area centers, prevention and combat of forest fires, environmental education, management and supervision of forest legislations and general management.

The budget of CONAF is continuously increasing, giving it the capability to enforce the forestry laws and

[9] Weblink: https://mer.markit.com/br-reg/public/project.jsp?project_id=103000000003275
[10] Weblink: https://mer.markit.com/br-reg/public/project.jsp?project_id=100000000001189

prevent deforestation and degradation, producing the results presented in this proposal. In 2014, at the beginning of the monitoring period, the budget of CONAF summed a total of 105.023.262 USD, increasing to 122.985.511 USD in 2016 (the last year of the results period). Of the total budget, 24% is used for institution management, 31% for the Fire Management Program, 21% for management of Protected Wilderness-Areas, 22% for Forest Management (administration of regulatory development legislation) and 2% for the Urban Tree Planting Program.

(ix) Tracking emissions reductions: *Indicate whether the achieved results are included in a registry or similar system that tracks emissions reductions and corresponding payments, and ensures that there is no past or future double payment or use of such results, including information to identify the area where the results were achieved, the entity eligible to receive payment, year(s) generated, source(s) of payments received, and identifying code, where possible. Provide the link or information where to find the registry or similar system*

The emission reductions submitted to the GCF are currently not in a public registry, but a tracking system called "Emission Reduction Registry System" is being developed and tested by a consortium formed by IHS Markit and Santiago Climate Exchange, in a consultancy for CONAF (Financed by the FCPF Readiness program). This Registry System is currently being tested and the expected result is to have a public platform were the emission reductions generated by Chile and by private organizations can be available for potential buyers, avoiding double payment situations and increasing transparency. After the end of the consultancy, this national alternative will be evaluated by Chile, along with other alternative registry/tracking systems provided by the interested international organizations. This decision is still pending review of the international platforms available.

Despite these considerations, the ERs achieved by Chile and submitted to the GCF will be registered in the Lima REDD+ Information Hub (Infohub), allowing the public registry of Chile's results. As stated in the decision 9/CP.19, the information on this public registry will include, among other elements: the FREL/FRL and the results for each relevant period expressed in tons of carbon dioxide equivalent per year, together with links to the technical reports, the national strategy of Chile (ENCCRV), information on the addressing and respect of safeguards and the national forest monitoring system. The information provided to the Infohub will also include the quantity of results for which payments are being received, and the entity paying for results (in this case, the GCF). This information will allow the public and interested buyers to be informed on the details of the results-based payments received by Chile, increasing the transparency and avoiding double payment situations.

While this work is proceeding, Chile is operating an interim procedure whereby every two months the Monitoring Measurement System (MMS) monitors existing public registries under existing forest carbon standards (including Verified Carbon Standard, Gold Standard, Plan Vivo, Climate Action Reserve, American Carbon Registry). Any REDD+ Project found in the registries will be uploaded to the database. It will facilitate future tracking and ensure that there is no past or future double payment.

The current status of the interim registry publicly available at https://www.enccrv.cl/medicion-y-monitoreo, this database is linked to the Monitoring Measurement System (MMS).

C. Non-carbon elements

Please provide a link to the summary of information on safeguards:
https://redd.unfccc.int/files/reporte_salvaguardas_pc.pdf

C.1. Cancun safeguards

C.1.1. Compliance with Cancun safeguards. *Please provide any additional information that supplements the information included in the "summary of information on safeguards" that allows understanding how each of the safeguards below was addressed and respected in the full period during which results were generated in a way that ensures transparency, consistency, comprehensiveness and effectiveness:*

(i) That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements.

This safeguard refers to the complementarity or compatibility of the action implemented and of the overall National Climate Change and Vegetation Resources Strategy's (ENCCRV) policies and measures, with the objectives of national forest and environmental programmes, and with the Conventions and International Agreements related to forests and vegetation resources ratified by Chile.

The safeguards were applied consistently in a broader context than the pilot projects of the strategy, including activities that led to emission reductions, based on compliance with national legislation and the international agreements ratified by the country, both in the development of pilot projects and in the execution of the activities associated with the ER. The safeguard was addressed and respected throughout the preparation of the ENCCRV and in obtaining the ER results.

For **addressing** the safeguards, complementarity, compatibility and articulation of the actions with the Programmes and National Action Plans on climate change, as well as with International Conventions and Agreements ratified by Chile, and the current national legislation related to forests was analyzed. While a full description of the documents analyzed and generated is available in the "First Summary of Information: Approach, Respect and Compliance with the Safeguards for the Formulation of Chile's National Climate Change and Vegetation Resources Strategy (ENCCRV), Reporting Period 2013- 2017" (hereinafter the Safeguards Summary of Information, SoI) the main international conventions and other relevant instruments to which the ENCCRV contributes to are:

- **Sustainable Development Goals (SDG) 2015-2030**, specifically, **goal 13** on climate action and **goal 15 on life on land**.
- **United Nations Convention to Combat Desertification (UNCCD)** ratified by Chile on 11 November 1997
- **The United Nations Framework Convention on Climate Change (UNFCCC)** ratified by Chile on 22 December 1994, **and subsequent Protocol of Kyoto and Paris Agreement** ratified on 26 August 2002 and 10 February 2017(CONAF is the focal point to the UNFCCC).
- **Convention on Biological Diversity (CBD)** ratified by Chile on 9 September 1994 and **Aichi Targets (Strategic Plan for Biodiversity 2011 - 2020)** coordinated by the Ministry of the Environment, in its capacity as focal point.
- **United Nations Forum on Forests** (UNFF), adhering to the UN Strategic Plan for Forests (2030). CONAF fulfills the role of National Focal Point.
- Indirectly, the ENCCRV contributes to other international agreements, such as: the **Ramsar Convention** ratified by Chile on 27 November 1981; **the Man and the Biosphere Program (MaB)**, which is part of the Biosphere Reserve Network of the United Nations Educational, Scientific and Cultural Organization (UNESCO) for which CONAF is the focal point. The **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)** ratified by Chile on 14 February 1975, for which CONAF is the management authorities of forest products.

At the national level, the main legal instruments relevant in the context of the ENCCRV include:

- **Political Constitution of the Republic of Chile (1980)**
- **Law No. 19.300 / 1994,** on General Environmental Provisions
- **Decree No. 40/2013** of the Ministry of the Environment, corresponding to the Regulation of the Environmental Impact Assessment System.
- In the forestry sector, the main regulations are: **DL No. 701/1974, on Forest Development and its Regulation (Decree No. 259/1980),** the **Law No. 20.283/ 2008, on the Recovery of Forest Native Forest and Forestry Development** and other related decrees, as well as specific decrees related to protect native species (**Decree No. 13/1995, Decree No. 490/1976, Decree No. 43/1990, Decree No. 427/1941, Decree No. 366/1944, Decree No. 4,363/1991**).

In addition, the preparation of the ENCCRV and the achievement of the ER kept in full consideration the following national plans, programmes and policies - all developed through joint efforts of various national and subnational stakeholders (including the Ministry of Environment and other units of the Ministry of Agriculture): **National Biodiversity Strategy (2003)**, **National Action Plan on Climate Change (PANCC) (2008-2012)**; **Climate Change Adaptation Plan for the Silvoagricultural Sector (2013)**, **Climate Change Adaptation Plan in Biodiversity (2014)**, **National Adaptation Plan for Climate Change (2014)**; **National Action Plan for Climate Change 2017-2022 (PANCC-II)**; **National Action Program against Desertification, Land Degradation and Drought 2016-2035 (PANCD)**; **Nationally Determined Contribution (NDC)** of Chile, submitted to the UNFCCC on September 2015; **Forest Policy (2015-2035)** in which forest development

guidelines are established under the criteria of economic, social and environmental sustainability; and the **Wood energy Strategy (2015)** of CONAF.

The safeguard was then **fully respected,** by applying the national and international policies, laws and regulations towards the preparation of the ENCCRV and implementation of actions to achieve the ER reported. To further respect and comply with this safeguard special actions have been identified to enhance existing national legislation or establish a new forestry regulation that includes aspects related to climate change adaptation and mitigation. In particular, the reform of Law 20.283/2008 is foreseen to reach a larger number of beneficiaries through its incentive schemes, include payment for environmental services (PES) schemes to implement a sustainable management model linked to vegetation resources. In addition, land holders which do not have yet regular land titles might be included as potential beneficiaries of national programmes aiming to implement the ENCCRV.

the ENCCRV actions focus on resolving the need to enhance the current legislation or establish a new forestry regulation, in the specific: action MT1, Include provisions related to climate change, desertification, land degradation and drought in a new law on forest development; MT2 Modify and strengthen Law No. 20.283/2008 and its regulations; IF5 Include elements of preventive management and restoration after fires in Law Nº 20.283/2008 and regulations; RH1, Amendment of Law No. 19,561/1998 that exempts reforestation to agricultural recovery; RH2, Incorporation of forest conservation variables in Law Nº 18.450/1985; RH3, Limit the application of Law No. 20.412/2010 in soils with forest preferential capacity. (further details are available in the ENCCRV document, figure 11)

Fully complying with this safeguard, the ENCCRV includes - among others - actions related to forest management plans, which are key instruments for the sustainable management of forest resources.

To date, the following pilot projects, funded by various sources and corresponding to the early implementation phase of the ENCCRV, have been prepared and implemented taking into consideration the key international agreements and national legal framework. CONAF, as executing and coordinating entity of the ENCCRV, ensured compliance with the corresponding safeguards.

The pilot projects that have been completed to date are:

- 4 projects aiming to improve the production chain for sustainable biomass, with an area of 4,337.6 hectares under different types of forest management, in the regions of Araucanía, Los Ríos, Los Lagos and Aysén, financed by the Forest Carbon Partnership Facility (FCPF).
- 4 projects of hydrological restoration, in the regions of Bío-Bío and Los Ríos, covering an area of 446.8 hectares funded by the UN-REDD Programme Targeted Support.
- 2 preventive silviculture projects, in Valparaíso and Maule regions, covering an area of 843.1 hectares, funded by the Swiss Agency for Development and Cooperation (SDC).

Other projects that support respecting and compliance of safeguards i) and are currently ongoing are:

- 5 projects associated with Sustainable Land Management, funded by the Global Environment Facility (GEF), in the regions of Arica-Parinacota, Coquimbo, O'Higgins, Araucanía and Aysén.
- 5 restoration projects in the Regions of Coquimbo, Metropolitana, Araucanía (2) and Magallanes financed by the UN-REDD National Programme.
- 1 water restoration project in Araucanía funded by SDC.
- 2 restoration projects for burned areas of Valparaíso and Metropolitan regions, funded by Mountain GEF

Further information on the actions included in the National REDD+ Strategy (ENCCRV) and that in their implementation support the respect of the safeguards i) (and others) are available at the following link: National Strategy on Climate Change and vegetation Resources (https://www.enccrv-chile.cl/index.php/documentos/item/335-estrategia-nacional-de-cambio-climatico-y-recursos-vegetacionales-2017-2025)
Full details on the and in the REDD+ Safeguards Summary of Information: https://redd.unfccc.int/files/sistema_de_informaci_n_de_salvaguardas_enccrv_chile_.pdf

(ii) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty.

All the phases of REDD+, throughout the preparation and implementation of the ENCCRV and including the achievement of the ER results, ensured (and will keep on ensuring) the promotion of transparency and effectiveness of national forest and environmental governance structures, and that national legislation and sovereignty is taken into account.

This safeguard, in the national context of Chile, is understood to refer, firstly, to the forest governance structure, defined through the institutional arrangements that were and will be used to implement the emission reductions action. In these terms, the Climate Change and Environmental Services Unit (UCCSA), which sits under the *Gerencia de Desarrollo y Fomento Forestal* of CONAF, has the role of executing entity and coordinator of activities carried out within the framework of the ENCCRV. In this role, the UCCSA maintains a permanent technical link with CONAF's Interagency Committee on Climate Change, made up of CONAF's technical managers. Similarly, CONAF maintains its link with the Inter-ministerial Technical Committee on Climate Change (CTICC) led by the Office of Agricultural Studies and Policies (ODEPA) of MINAGRI, with the aim of strengthening the technical decisions that are adopted within the framework of the ENCCRV. Finally, the highest decision-making body t is the Council of Ministers for Sustainability, which validates multisectoral documents, such as national communications to the UNFCCC, NDCs, and Action Plans on Adaptation, among others. The structure, as described, maintains its transparency through the publication of the advances and agreements reached in the pages of corresponding organizations. In this sense, The Council of Ministers of Sustainability publishes the summary of the sessions, matters discussed and agreements reached (https://mma.gob.cl/consejo-de-ministros-para-la-sustentablidad/).

Transparency of Chile governance structure in this regard is also addressed by national laws and by the ratification of international instruments, such as the United Nations Convention against Corruption (UNCAC) on 13 September 2006, the Inter-American Convention against Corruption of the American States on 22 September 1998. At national level, the Political Constitution of the Republic of Chile (1980), Law No. 20.285/2008, the Council for Transparency, and Law No. 19,886/2004 are the most relevant instruments aiming to enact transparency measures in the country. To ensure the effectiveness of forest and environmental governance structures, reference is made to Law No. 18.575/1996 and Law 19.880/2003. Detailed information concerning the national and international regulations ratified by Chile can be found in the Safeguards Summary of Information[11].

The country fully respects and complied with this safeguard. In light of the international and national legal framework, transparency and access to public information was guaranteed by CONAF, which has a Comprehensive Information and Citizen Service System (SIAC), aiming to provide various fora across the country to bring attention to public requests; these include Information, Claims and Suggestions Offices (OIRS). Regarding the effectiveness of forest governance structures, CONAF also has an Internal Regulation on Order, Hygiene and Safety, which also contributes to compliance with transparency and efficiency.

To ensure compliance with this safeguard, the SIAC and the institutional attention places OIRS were the base for the Mechanism of Complaints and Suggestions (MRS) of the ENCCRV, which comply with all the requirements established by international organizations for an MRS. It serves as a mechanism for citizens to register their claims/grievances and suggestions related to the implementation of the action measures of the ENCCRV (more information in the Information Note N ° 22, Mechanism of Claims and Suggestions of the ENCCRV, available in the link: https://www.enccrv-chile.cl/index.php/notas-informativas/item/487-nota-informativa-n-22)

Between January 1, 2014 and December 31, 2017, 93,469 applications were registered at the OIRS at national level, of which 58.81 were made by men and 41.9% by women. Of these, the majority corresponds to queries (74%) and requests (21%). The main topics of the applications refer to protected areas, urban tree planting, native forest and plantations. Regarding the resolution of these queries and requests, 93,227[12] requests received a response over the same period, with an average response time of 1 to 2 days (96%).

[11] https://redd.unfccc.int/files/reporte_salvaguardas__pc.pdf
[12] The difference between the number of applications and the number of answers is due the applications on december 2017 were answered in january 2018

To promote transparency of the formulation and validation of the ENCCRV, an official website was created (https://www.enccrv.cl), in addition to the institutional website of CONAF (www.conaf.cl). The website contains relevant materials, publications and news about the ENCCRV. In addition, every official document generated within the framework of the ENCCRV, related to the Warsaw Framework for REDD+, has been officially consigned to the Secretariat of the UNFCCC, through a formal note from the Ministry of Foreign Affairs of Chile, which acts as Focal Point.

(iii) Respect for the knowledge and the rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples.

The ENCCRV protects the respect for the knowledge and the rights of indigenous peoples and members of local communities, complying with international obligations ratified by Chile and the circumstances and national legislation, considering the General Assembly of the United Nations has approved the United Nations Declaration on the Rights of Indigenous Peoples, which has been ratified by Chile.

ER in the reported period were achieved in full compliance with this safeguard. Further implementation of the ENCCRV will continue addressing and respecting this key safeguard.

National legislation established institutional structures and international agreements in force that allowed to address this safeguard are reported below. For international agreements:

- **United Nations Declaration on the Rights of Indigenous Peoples (UN, 2007)** with Chile voting in favour of the adoption of the proposal on 13 September 2007
- **American Declaration on the Rights of Indigenous Peoples of the OAS (2016)**
- **Convention No. 169 of the ILO**, Convention on Indigenous and Tribal Peoples in Independent Countries of the International Labor Organization, ratified in Chile by means of Supreme Decree No. 236/2008.
- **Convention on Biological Diversity** promulgated as the Law of the Republic through Supreme Decree No. 1963/1995.
- The Equity and Social Inclusion strategic area of the Chilean Forest Policy (2015-2035) foresees the establishment of a relationship based on Good Faith with indigenous peoples' communities in the forestry sector in order to achieve agreements that allow generating a coherent development with the rights that derive from the pluricultural nature of the country, considering free, prior and informed consultation and participation

Chile's legal instruments that allowed addressing the safeguard:

- The **Political Constitution of the Republic of Chile (1980)**
- **Law No. 19,253 / 1993** on protection, promotion and development of indigenous peoples, which creates the National Indigenous Development Corporation (CONADI).
- **Law No. 19.300 / 1994**, in article 4 referring to citizen participation in environmental evaluation.
- **Law No. 20.249 / 2008**, which creates the marine coastal space of the original peoples.
- **Law No. 17.288/ 1970 on National Monuments, which regulates the protection, conservation and investigation about the cultural heritage of the country.**
- **Decree 236/2008**, which promulgates Convention No. 169 on indigenous and tribal peoples in independent countries of the International Labor Organization.
- **Decree No 40 / 2013** of the Ministry of the Environment, in article 85 referring to Consultation with indigenous people.
- **Decree No.66 / 2013** which approves Regulation Governing the Procedure for Indigenous Consultation under Article 6 No. 1 letter a) and No. 2 of ILO Convention No. 169.

In order to respect the safeguards, and taking into account existing legal framework, Chile generated, through CONAF, specific policies that promote Equity and Social inclusion and seeks, among other aspects, to respect the tradition and culture of the peasant and indigenous communities that depend on forests (Forest Policy 2015-2035).

In addition, CONAF also served to develop territorial management instruments with an eco-cultural approach, based on ancestral knowledge and contributions of current technical knowledge. These include:

- **Andean Intercultural Environmental Model (MAIA)**, a conceptual and practical work model that includes the comprehensive Andean vision that combines production, environment and culture, oriented towards the Aymara, Quechua and Atacameñas (Likan antai) communities of northern Chile (Elaborated on 2011).
- **Mapuche Intercultural Forest Model (MOFIM)**, a model and approach of community work in forestry development, management of natural resources and territorial development according to the Mapuche culture (Elaborated on 2011).

The ENCCRV also manages instruments to ensure respect for the dignity, human rights, economies and cultures of Indigenous Peoples and provide social and economic benefits that are culturally appropriate, such as the Indigenous People's Participation Framework (MPPI), Annex 5 of the Environmental and Social Management Framework (MGAS) of the ENCCRV (https://www.enccrv.cl/salvaguardas).

In the formulation process of the ENCCRV, a Dialogue and Participation Process with Indigenous Peoples was developed (2016)[13] adapting the procedures to the regional context and incorporate the corresponding cultural relevance to each local indigenous town. Likewise, when the Wood Energy Strategy was developed, the characterization of the actors involved the firewood supply chain was carried out, and potential impacts and mitigation measures related to indigenous peoples were identified.

Respect for the indigenous peoples within the framework of the formulation of the ENCCRV, was ensured through the participation of the communities in the SESA workshops, under which the apprehensions, concerns and demands of the indigenous peoples regarding the causes of degradation, deforestation and no increase in forest stocks of vegetative resources were collected. Conforming 4 focus groups that raised information on indigenous peoples: indigenous peoples, indigenous women, small and medium-sized forest landowners, indigenous Colla women and Diaguita indigenous women.

(iv) The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in the actions referred to in paragraphs 70 and 72 of 1/CP.16.

This safeguard refers to the full and effective participation of stakeholders, particularly indigenous peoples and local communities, in the planning, design, implementation and monitoring of the ENCCRV actions.

This safeguard was addressed by stressing the participation of indigenous peoples and women in development and implementation of the ENCCRV, as there has been a strong interest in mainstreaming minorities in the implementation process. Each of these forms of participation have associated national and international legislation and regulations, from which management instruments are derived that allow for "respecting" this safeguard and achieving compliance. The approach to address, respect and comply with this safeguard is detailed below:

Chile has developed appropriate legal instruments which relate to this safeguard, in respect to three identified areas. Regarding Citizen Participation, reference is made to the Political Constitution of the Republic of Chile (1980), Law No. 20,500 / 2011 and Presidential Instruction No. 007 on Citizen Participation (2014) under which the Unit and the Regulation of Citizen Participation was created in CONAF. With respect to the participation of indigenous peoples, the Supreme Decree No. 66/2014 regulates the entry into force of ILO Convention No. 169. Likewise, Law 19.300 / 1994 and its Regulation promote citizen participation and consultation with indigenous people in the process of Environmental Impact Assessment.

In order to mainstream gender equality, the Ministry of Women and Gender Equality, was created by Law No. 20,820 / 2015. In addition, the National Women Service was created by Law No. 19.023 / 1991 and is currently operational. The National Women's Service provided guidelines for the constitution of Gender Units by sector to all state agencies, according to which The Gender Equality Unit was created in CONAF...Details concerning the gender legislation and its scope and links with the ENCCRV can be found in the Safeguards Summary of Information.

In addition, the country has ratified a series of international legally binding instruments as well as adopted

[13] https://docs.wixstatic.com/ugd/902a1e_ad7345181a2e41a895f0fac5e75eefc8.pdf

guidelines and operational requirements developed by the UN and other international agencies which have supported the formulation of ENCCRV, including the participation of indigenous peoples and women.

Hereby, relevant international instruments are listed:

Indigenous participation and consultation:

- **ILO Convention No. 169 on Indigenous and Tribal Peoples**[14]. In Chile, this instrument entered into force on 15 September 2009, through the promulgation of Decree 236 by the Ministry of Foreign Affairs, which approves the Indigenous Consultation procedure.
- Convention on Biological Diversity, ratified by Chile on 9 September 1994, article 8, letter j) referring to indigenous peoples and other related articles.
- **United Nations Declaration on the Rights of Indigenous Peoples (2007).**

The following guidelines and operational requirements of institutions that have supported activities in the pilot phase of the ENCCRV, and in the achievement of ER, have been consulted and put into practice:

- Free, Prior and Informed Consent Guidelines of the UN-REDD Programme.
- Environmental and Social Standard 9 (ESS 9) of the FAO. This norm recognizes that the traditions and knowledge of indigenous people's present opportunities for many of the challenges that humanity will face in the coming decades.
- Operational Policy 4.10 of the World Bank on Indigenous Peoples.

Participation of Women

Among the international legal instruments ratified by Chile addressing the participation of women, the following stand out:

- Resolution adopted by the General Assembly of the United Nations in 2011, referring to the **Political Participation of Women (A/RES/66/130)**
- **Convention on the elimination of all forms of discrimination against women (CEDAW)**. This was ratified by Chile through Decree No. 789/1989
- Resolution of the UN General Assembly, which established **UN Women (A / RES / 64/289)**.

The **Plan for the Implementation of Social and Environmental Safeguards for Public and Indigenous Consultation a Self-assessment**[15] has been prepared, taking into consideration the guidelines established at international and national level on this matter, (available online at CONAFs site). This document guided the development of the entire participatory formulation process of the ENCCRV, between 2015 and 2016. The Plan included the organization of regional workshops and a national workshop, ensuring local, regional and national representation, considering a multi-stakeholder, multi-sectoral and multi-stakeholder approach and including the mainstreaming of the gender approach and pluricultural participation.

In addition, and in an integrated manner with the Plan, a **Strategic Environmental and Social Assessment (2016)** has been developed (SESA), incorporating the necessary environmental and social considerations to ensure the sustainable implementation of the action measures. The measures are in line with the national commitments assumed by Chile under the UNFCCC and other international bodies.

In the context of the Safeguards Plan and SESA, between 2013 and 2016, 15 regional workshops were held, involving 1,266 people, 36.4% of women and 9% indigenous peoples. In addition, a national workshop involving125 people, 31% of women and 8% indigenous peoples, was held. In these workshops, the gender approach was manifested from the gathering of information through the identification of key actors; formation of focus groups, determining a minimum percentage of participation of 30% and when appropriate, specific focus groups for women were formed (additional information can be found in the Information Note N ° 8, on Mainstreaming the gender approach)[16].

[14] https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/publication/wcms_345065.pdf
[15] https://www.enccrv-chile.cl/index.php/documentos/item/352-plan-sis
[16] https://www.enccrv-chile.cl/index.php/notas-informativas/item/427-nota-informativa-nr8

Other instances of participation were:

- The Process of Dialogue and Participation of Indigenous Peoples, held between June and September 2016, which included the indigenous peoples of the entire territory of continental Chile, focused on rural areas of the 10 regions with the presence of indigenous populations and where their ways of life and customs are directly and indirectly related to forests and vegetation resources (Information Note No. 17. Process of Dialogue and Participation with Indigenous Peoples in the formulation of the National Strategy on Climate Change and Vegetation Resources (ENCCRV) of Chile)[17].
- Citizen consultation held between June 20 to September 20, 2016, with the participation of 506 people, 41% women (Information Note N ° 12, Citizen Consultation Process for Validation and Strengthening of the ENCCRV)[18].
- For the formulation and validation process of the ENCCRV, the Guide for the Evaluation of Programs and Projects with a gender, human rights and intercultural perspective of UN-Women (2014) was used as a guiding document.
- For the stages of implementation of the ENCCRV, there is a Planning Framework for Indigenous Peoples included in the ESMF, which provides guidance to ensure indigenous participation in the activities to be developed by the Strategy.

(v) That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70 of this decision are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits.

This refers to the prevention of ENCCRV action measures from promoting the conversion of native vegetation resources, in addition to promoting their protection and conservation to favor the ecosystem services and co-benefits that these generate. Chile fully addressed and respected this safeguard in the achievement of its ER.

To address this safeguard, the ENCCRV considers the integration of ratified international agreements, conventions and agreements signed by the country, where CONAF participates as a focal point are taken into account. Also integrating with other national coordinating entities; and the current national legislation, in regards of conservation of natural forests and biodiversity. This information is presented in detail in the SoI. The following international agreements ratified by Chile are worth to note:

- **UNCCD ratified by decree 2065/1998** and the **UNFCCC** promulgated by Decree 123/1995 with the **REDD+** approach, in which CONAF is the focal point.
- **CBD and the Aichi Targets** ratified in Decree No. 1.965 / 1995. In 2010, the CBD urged countries to update their National Biodiversity Strategies (NBS) according to the "**Strategic Plan for Biodiversity 2011-2020 and the Aichi Targets**".
- The **Organization for Economic Cooperation and Development (OECD)**, in its "Environmental Perspectives to 2050".
- **Sustainable Development Goals 2015-2030**, specifically objective 15
- **United Nations Forum on Forests (UNFF)**, where CONAF fulfills the role of National Focal Point.
- The **Ramsar Convention**, the **UNESCO's Man and the Biosphere Program** and the **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)**

National legislation and regulations regarding the conservation of natural forests and biological diversity, preventing the detriment of ecosystems and conversion of natural forests:

- **The Political Constitution of the Republic of Chile (1980).**
- **Law No. 20.283 / 2008**, on Recovery of Native Forest and Forest Development, aims to protect, recover and improve native forests, in order to ensure forest sustainability and environmental policy.
- **Law No. 19.300 / 1993** establishes the right to live in a pollution-free environment, the protection of the environment, the preservation of nature and the conservation of environmental heritage. Under this law, the administration of a National System of Protected Wild Areas of the State (SNASPE) has been regulated.

[17] https://www.enccrv-chile.cl/index.php/notas-informativas/item/439-nota-informativa-17
[18] https://www.enccrv-chile.cl/descargas/publicaciones/378-nota-informativa-n-12/file

Regarding policies, programs and national plans focused on the conservation of forests and biological diversity, the ones listed below are the main ones:

- **National Biodiversity Strategy 2017-2030**[19] to conserve the country's biodiversity by guaranteeing fair and equitable access to ecosystem goods and services, fostering the capacities to safeguard, restore and sustainably use the heritage and natural heritage.
- **The National Action Plan on Climate Change (PANCC II) 2017-2022**, within its objective to enhance adaptation, seeks to reduce vulnerability and increase the adaptive capacity of the country's human and natural systems, including a specific action measure on biodiversity.
- **The National Plan of Adaptation to Climate Change (2014)**[20] seeks to strengthen Chile's capacity to adapt to climate change through transversal and sectoral action plans in Silvo-agricultural and Biodiversity sectors.
- **Plan for Adaptation to Climate Change in the Silvo-pastoral sector (2008-2012)**, includes the genetic conservation of forest resources and the development of new silvicultural methods to face climate change.
- **Adaptation to Climate Change in Biodiversity Plan (2014)**[21], seeks to promote the conservation of biodiversity and its adaptation to climate change through research and capacity building, promotion of sustainable practices, incorporation into instruments of territorial planning and strengthening of the System National Wildlife Protected Area.
- **National Action Program against Desertification, Land Degradation and Drought 2016-2035 (PANCD)** aligned with the National Climate Change and Vegetation Resources Strategy (ENCCRV)

Also, the **Forest Policy (2015-2035)** indicates within its strategic axes, the protection and restoration of the forest heritage, for which it seeks to conserve and increase the State's forest heritage, develop environmental goods and services and restore and protect the biodiversity that provide forest resources and ecosystems.

In issues related to ecological restoration, the **National Policy and Strategy for the Ecological Restoration of the National System of Protected Wild Areas of the State (2012)** was elaborated to guide the execution of plans, projects and actions tending to ecologically restore damaged territories within the National System of Protected Wild Areas of the State (SNASPE).

Respect for this safeguard was carried out through the integration of the REDD + policy guidelines of the UNFCCC, UNCCD, CBD, and national programs, plans and policies. Together with the input of the participatory process of the ENCCRV, corresponding to the identification by the key actors of the causes of deforestation, devegetation, degradation of vegetation resources and the difficulties to increase the coverage and quality of these. This technical and participatory process resulted in the definition of Forests for REDD + policies, together with definitions of Deforestation, Forest Degradation and Forest Conservation. From which the action measures of the Strategy were developed.

The action measures of the strategy aimed at preventing the conversion of native forest and other vegetation resources correspond to: MT.7. Strengthening of forestry and environmental control programs; RS.1. Targeting restoration and inspection program in areas with substitution risk; RH.1. Modification Law No. 19,561 that exempts agricultural recovery from reforestation; RH.3. Limit the application of Law No. 20,412 on Preferentially Forestry Aptitude soils.

The action measures of the strategy aimed at promoting the protection and conservation of vegetation resources and enhancing ecosystem services are: T.8. Strengthening and updating of Management Plans of SNASPE areas in the context of the ENCCRV; RH.2. Incorporate forest conservation variables into Law No. 18,450; MT.5. Strengthening of ecological restoration program in communes / prioritized areas; IF.2. Program of restoration of ecosystems post Forest Fires; GA.1. Adaptation program for the management of vegetation resources in the framework of climate change, desertification, land degradation and drought. For more information, review the Safeguards Summary of Information.

In relation of the compliance, the ENCCRV has a specific strategic objective focusing on conserving biological

[19] https://mma.gob.cl/wp-content/uploads/2018/03/Estrategia_Nac_Biodiv_2017_30.pdf
[20] https://mma.gob.cl/wp-content/uploads/2016/02/Plan-Nacional-Adaptacion-Cambio-Climatico-version-final.pdf
[21] http://metadatos.mma.gob.cl/sinia/PDF008.pdf

diversity, for example by strengthening the National System of Protected Wild Areas (SNASPE). Regarding the Protected Wild Areas of the State administered by CONAF, each of them has a Management Plan[22]. Since 2016, a new methodology has been implemented, incorporating zoning and territorial analysis, cultural conservation and human welfare objects, participation aspects, analysis of vulnerability to climate change, logical framework matrix, operational plans, monitoring, among others. This implementation has been developed in various Protected Areas of the SNASPE in 2016 and 2017, including the Nonguén National Reserve in the Bio Bio Region. There are also preservation management plans oriented to protect the biological diversity of forest resources. It is worth mentioning the execution of the restoration plan for the Malleco National Reserve immediately after the 2002 fire.

In relation to specific terms associated to forest conservation and biological diversity, the **Corporation through the Program for the Conservation of Endangered Flora and Wildlife of Chile (1999)** has executed 28 species conservation plans[23]. It also highlights the National Program for the conservation of Wetlands inserted in the National System of Wild Protected Areas of the State (2010).

(vi) Actions to address the risks of reversals.

Actions that allow to face the risks of reversal that could be generated with the implementation of the ENCCRV, as well as those that could affect the planned results, ensuring the permanence of the reduction of emissions.

To address this safeguard, the procedure established in the document "Guidelines for buffering the ER Program" of the FCPF is being applied. This process includes i) the identification of risks of reversals, where four risk factors their description and valuation are analyzed, corresponding to: the lack of broad and sustained support to key actors, the lack of institutional capacities and / or ineffective intersectoral / vertical coordination, the lack of long-term effectiveness in addressing the underlying factors, and exposure and vulnerability to natural disturbances (risks of disturbances and natural disasters). And ii) the elements are defined to prevent and minimize potential reversals. The details of this analysis are presented in the Safeguards Summary of Information.

The Law No. 20,283 / 2008 and Decree Law No. 701/1974 allow addressing some of the risks associated with reversals, favoring the activities leading to the reduction of deforestation and sustainable management of forests.

On the other hand, forest fires are one of the main causes of degradation of vegetation resources, and in Chile, 99.9% of them are anthropogenic. In this case, the national legislation considers the following regulations:

- Decree No. 4363/1931 (text approving the Forest Law), of the Ministry of Lands and Colonization, whose art. Nº22 establishes penalties for those who cause forest fires, and Law No. 20.653, of 2013, which amended Art, No. 22 of the Forest Law.
- Supreme Decree 276/1980, Ministry of Agriculture, to prevent the occurrence of forest fires establishes that the use of fire, to eliminate plant waste in agricultural and forestry lands, will only take place in the form of controlled burning and Supreme Decree 100/1990 of the Ministry of Agriculture, which prohibits the use of fire to destroy vegetation in winter.

<u>Reversal Management Mechanisms</u>
The same methodology used to estimate reference levels in the ENCCRV was proposed to be used to monitor the emissions associated with reversals. This safeguard, therefore, will be addressed through the Measurement and Monitoring System (SMM) of the ENCCRV which includes elements of early warning and of Measurement, Reporting and Verification as part of the National Strategy.

As a result of the analysis of reversal risk potential of the Strategy, a reserve fund of 21% of the ERs is established as a buffer for reversals, which will remain in place during the validity of the Strategy. This fund will be generated only from emissions reductions due to deforestation and degradation, since increases in removals due to increased stocks or conservation are exposed to natural and anthropogenic risks that may

[22] http://www.conaf.cl/parques-nacionales/normativa-y-reglamento/planes-de-manejo-parques-nacionales/
[23] http://www.conaf.cl/parques-nacionales/conservacion-de-especies/

affect their permanence over time. The methodology to estimate the buffer is based on the FCPF WB's guidelines[24]. The details for the buffer estimation are provided in the annex 6.

(vii) Actions to reduce displacement of emissions.

Those actions that prevent territorial displacement of activities that generate GHG emissions associated with deforestation and forest degradation.

The UNFCCC establishes that the implementation of REDD+ activities might generate a risk if the reduction of deforestation and forest degradation in a specific site would push drivers of deforestation and activities that would generate GHG in a different territory, outside the ENCCRV execution borders. Therefore, although the Strategy has a national scope, there is a risk of displacement of emissions associated with the subnational implementation in five regions of the south of the country.

In terms of regulations, to address this safeguard, the country refers to:

- Decree No. 4363/1931, of the Ministry of Lands and Colonization, which sets the definitive text of the forest law and whose implication with the ENCCRV is that it defines the Preferential Forestry Aptitude (APF) lands to those who because of their soil conditions and climate, should not be plowed permanently, excluding those who, without suffering degradation, can be used for agriculture, fruit growing or intensive livestock. It is also defined that lands classified as APF, in addition to natural and artificial forests, will be subject to the CONAF approved management plans.
- Decree Law No. 2565/1979, which replaces Decree Law No. 701, of 1974. The purpose of this Law is to regulate forest activity in APF soils and degraded soils and encourage afforestation, especially by small forest owners and to foresee the necessary measures for the prevention of the degradation, protection and recovery of the soils of the national territory.
- Law No. 20.283 / 2008, on Recovery of the Native Forest and Forestry Development, a legal instrument whose objectives are the protection, recovery and improvement of native forests, in order to ensure forest sustainability and environmental policy, in line with the ENCCRV. This Law, among other regulations, defines and regulates forest types, management plans, environmental protection norms, the Conservation, Recovery and Sustainable Management Fund of the native forest and the procedures and sanctions in cases of violation of its norms.

In the Summary of Safeguards displacement risks associated with the most relevant deforestation and degradation causes are identified for the ENCCRV, among them:

- Expansion of agricultural-livestock activity and urban and industrial expansion
- Unsustainable use of vegetation resources for production
- Forest fires
- Unsustainable management of forest crops
- Unsustainable use of vegetation resources for livestock

The risks associated with the displacement of emissions are linked to the reduction of the causes and agents of deforestation and forest degradation. Thus, if a territory is suffering from illegal agricultural activities in forested areas, increasing the vigilance and application of regulations can reduce deforestation in the places to which they are directed. In this way, like the previous safeguard, in this case the monitoring will be done through the Measurement and Monitoring System of the ENCCRV, which includes elements of Measurement, Reporting and Verification (MRV).

C.1.2. Stakeholder involvement.

Please describe and provide evidence that the Cancun safeguards information was made transparently available to stakeholders.

The design process of the ENCCRV considered as a priority to ensure the effective and inclusive participation of all groups and key actors linked to vegetation resources, with special emphasis on local communities, indigenous peoples, women and other vulnerable people. Specifically, it was considered small owners, social

[24] https://www.forestcarbonpartnership.org/sites/fcp/files/2019/July/FCPF%20Buffer%20Guidelines_2015.pdf

organizations (neighborhood associations, farmers' associations, among others), associations and groups of civil society, universities and study centers, non-governmental organizations (NGOs), government institutions, local governments and anyone interested in contributing to the formulation and future implementation of the ENCCRV. In order to guide and implement the participatory process, carried out between 2015 and 2017, a Plan for the implementation of Social and Environmental Safeguards for Public and Indigenous Consultation and Self-Assessment was created (available at the link: https://www.enccrv-chile.cl/downloads/enccrv_/7-plan-safeguards-enccrv/file).

Once the stakeholders were identified, a Strategic Environmental and Social Assessment (SESA) was developed, which allowed obtaining basic information on the causes of deforestation, degradation and difficulties for the increase of carbon stocks. It was also possible to generate proposals for the action measures of the ENCCRV, with their respective risks and adverse impacts, potential benefits, and proposals for the maintenance and / or increase of biodiversity.

The Strategic Environmental and Social Assessment (SESA) allowed to comply with the international guidelines issued by the different agencies that provided technical and financial support in the formulation of the ENCCRV. This methodology also has the advantage of incorporating safeguards that not only provide environmental sustainability to the ENCCRV and its activities, but also social sustainability, with emphasis on issues related to indigenous rights, and the right to citizen participation. Thus, the SESA integrated national and international guidelines and regulations that will give socio-environmental sustainability to the ENCCRV in its implementation phase.

In order to achieve compliance with the safeguards, in addition to a solid environmental and forestry institutional framework, a participatory process was applied throughout the country with the support of national and international agents who actively collaborated. Added to this process was the consideration and compliance of guidelines for effective inclusion in a framework of ethical considerations that allowed for direct linkage with representatives of different Focal Groups (FG), which, through their empirical and technical knowledge, provided relevant information and relevant to support the formulation of the ENCCRV in order to generate a public policy instrument with long-term environmental and social sustainability to face the effects of climate change.

The ENCCRV has the support and commitment of civil society. During the design and formulation phase of the ENCCRV, the inclusion of social and environmental safeguards, which follow national and international guidelines, was carefully established, including the potential risk associated with its implementation.

The participatory process in the formulation phase of the ENCCRV, carried out through regional workshops and a national workshop, had more than 1,200 active participants from all regions of the country, and included:

- Indigenous peoples
- Institutional sector
- Private sector
- NGOs
- Academy
- Small and medium size forest landowners
- Groups of women
- Consultants and extension agents.

More information on participatory processes can be found in the following link:

https://www.enccrv-chile.cl/index.php/participacion/proceso-de-formulacion
https://www.enccrv-chile.cl/index.php/participacion/proceso-de-validacion

In line with the participatory process, the evaluation considered cross-cutting analysis that allowed classifying, weighing and prioritizing the risks and potential adverse impacts identified, as well as ensuring compliance with the environmental and social safeguards that accompanied the participatory process.

Among the most relevant results for this particular point is the classification and standardization of potential adverse impacts and risks, as well as the benefits and proposals for maintaining and / or increasing biodiversity, presented in five categories:

- Governance and operational management capacity for the implementation of the ENCCRV,
- Effects on the environment, iii) social and cultural effects,
- Limitations on the amounts and scope of existing financing mechanisms, and non-monetary retribution of benefits, and
- Education and capacity building.

More information regarding the participatory process and SESA can be found at the following link: https://www.enccrv-chile.cl/index.php/documentos/item/350-sesa

Regarding the Grievance and Redress Mechanism, Chile has the Information Offices, Claims and Suggestions (OIRS), created by Supreme Decree No. 680/1990, of the Ministry of the Interior, and which are operating in public services according to Law No. 18,575, Organic Constitutional Bases of State Administration. Therefore, it is possible to ensure that according to current legislation and institutions, the OIRS comply with national and international standards and has the following structure to process information:

- Collect demands, suggestions, claims and proposals from all over the national territory, strengthening the ENCCRV in its different phases, from formulation to implementation and evaluation,
- Responding to potential beneficiaries, especially indigenous peoples, local communities and other vulnerable social sectors, who face difficulties in accessing the information,
- Report to the corresponding agencies and
- Strengthen the Safeguards Information System of the ENCCRV, for the improvement of the monitoring system and the compliance with safeguards.

More information on the OIRS as MRS of the ENCCRV can be found at the following link: https://www.enccrv-chile.cl/index.php/notas-informativas/item/487-nota-informativa-n-22

C.2. Use of proceeds and non-carbon benefits

C.2.1. General description:

Provide a description on how the proceeds will be reinvested in activities consistent with the country's NDC, national REDD-plus strategy and/or low carbon development plans and policies. The description should also include how the proceeds will be used in a manner that contributes to the long-term sustainability of REDD-plus activities, including non-carbon benefits.

The proceeds of the results based payment are expected to be used as set out in this section and in a manner consistent with the restrictions set out in paragraph 14 of the terms of reference for the for the REDD+ RBP Pilot Programme adopted by Decision B.18/07.

The Ministry of Agriculture of Chile, through the National Forestry Corporation (CONAF), has prepared the National Strategy on Climate Change and Vegetation Resources (ENCCRV) 2017-2025, whose main objective is to increase the resilience of ecosystems and contribute to mitigate climate change by promoting the reduction of emissions from greenhouse gases in Chile by reducing the social, environmental and economic vulnerability generated by climate change, such as increased risk of desertification, land degradation and drought in forest areas and human communities that depend on them. The ENCCRV proposes 26 action measures impacting 264,000 hectares, defining a total budget of USD 433 million, which differentiates between already existing resources and resources that need to be leveraged from different financing sources (called conditional), such as international funds or agencies. The latter corresponds to 84% of the total budget.

Considering the fundamental role of vegetation resources in climate change mitigation and adaptation, the ENCCRV was proposed as a public policy instrument developed to comply with the national commitments made in the Paris Agreement and the submission of Chile's NDC to the Secretariat of the UNFCCC. The specific contribution of the Forest Sector to the NDC considers the sustainable management and recovery of 100,000 hectares of forest which is conditional to the extension of Decree Law 701 and the approval of a new Forestry Promotion Law. The NDC also includes the afforestation of 100,000 hectares of mainly native species subject to the approval of the Native Forest Recovery and Forestry Promotion Law. In addition to its alignment to international commitments established in the UNFCCC, the ENCCRV is also aligned with the UNCCD, especially

the commitment of Land Degradation Neutrality (LDN) and the SDGs. At the national level, it contributes to the four strategic axes and the goals set out in the Chilean Forest Policy 2015-2035 and in the National Climate Change Plan 2017-2022.

The ENCCRV was formulated in three phases following the orientations of REDD+:

Phase 1, corresponding to the preparation of the Warsaw Framework, has been fulfilled and is always maintained in constant improvements and updates. During this phase, the policy framework related to the conservation of native forests was also being implemented. Phase 2 begins with the execution of demonstration projects in the territory financed with international cooperation and small advances in the institutional actions associated with the activities that address the underlying causes of forest loss, with the aim of accessing result-based payments as phase 3 of REDD.

The ENCCRV establishes eight activities containing 26 action measures, which are intended to address the drivers of deforestation, de-vegetation, degradation of forests and other vegetation resources, as well as those barriers that prevent or interfere negatively in implementing activities on restoration, conservation, sustainable management, enrichment and regeneration of vegetation resources. These activities include: adaptive management[25] to climate change, desertification, land degradation and drought; sustainable management of vegetation resources; farm and livestock management for protection of vegetation resources; preventative management on forest fires; sanitary plant protection; restoration of substituted areas by exotic species; crosscutting management measures that include legal issues, regulatory, enforcement, outreach and environmental education, among others.

The estimated total budget for administration and implementation of the activities included in the ENCCRV is USD 433 million, for a planning horizon of nine years. This budget includes unconditional costs of 16% of the budget, for which there is a budget in the respective institutions nationwide. The remaining 84% corresponds to costs subject to availability of funding from various national and international sources. MINAGRI, CONAF and other institutions of the Estate are already managing to leverage this additional funding. CONAF will both execute and coordinate the implementation of the ENCCRV, maintaining close coordination with the Interagency Committee on Climate Change, preceded by the Ministry of the Environment.

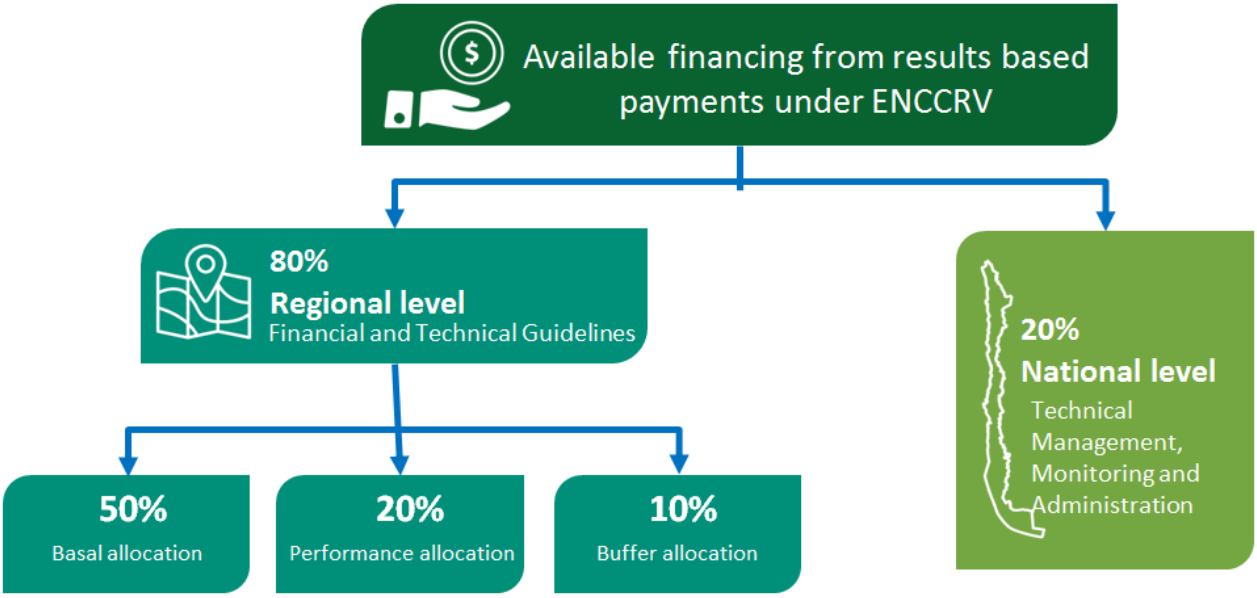
The entire estimated budget for the implementation of the ENCCRV will generate as main concrete results: 140,000 hectares planted/re-vegetated; 30,000 hectares restored (10,000 hectares associated with affected areas by forest fires); 8,000 hectares with forestry protection for reducing effects from forest fires over vegetation resources; 70,000 hectares intervened under sustainable management plans and 16,000 hectares associated with production for firewood of quality obtained in accordance with legal provisions, directly linked to the international commitments of the country; in addition for strengthening of areas such as institutional management, enacting regulations, enforcement, support, territorial planning, capacity building or transfer of skills, environmental education, awareness rising and research.

Due to the limited availability of resources to support the implementation phase of the ENCCRV, funds raised from results-based payments (Phase 3 REDD+) will be fully used for implementation of the ENCCRV. In addition, it is expected to trigger public-private financing that achieve greater environmental impacts and social projects in development. Consequently, the results-based payments received by Chile from the GCF will contribute to the implementation of the forest sector actions of Chile's NDC and the ENCCRV. The use of the proceeds will contribute to the achievement of the ENREDD+ overall objective and the country's NDC.

As indicated in the ENCCRV, adaptation and mitigation actions include elements of innovation in its design, especially changes and improvements in operational practices of afforestation, restoration and sustainable management, promoting associations among communities vulnerable to climate change and also fostering inter-institutional work, with the inclusion of the private sector (including small and medium sized owners, private companies and financial institutions), which is expected to trigger a paradigm shift that catalyzes the long-term impacts of the project.

[25] The Manual for the planning of natural protected areas (http://www.conaf.cl/wp-content/files_mf/1515526054CONAF_2017_MANUALPARALAPLANIFICACI%C3%93NDELASAREASPROTEGIDASDELSNASPE_BajaResoluci%C3%B3n.pdf) defines adaptive management as the incorporation of a formal learning process to a conservation action. Specifically, the integration of a testing, learning and timely information for decision making into de design, management and monitoring of protected areas.

Specifically, the proceeds will be distributed among the various activities of the ENCCRV in accordance to the Benefit Sharing System and linked to phase 2 of the ENCCRV as shown in the following figure:



20% of the resources will be directed to the national level in supportive and enabling activities for the local investments in the regions. They are reflected in the diagram above as national level since these activities will also have broader benefits for all regions These activities will promote sustainability and ensure the effective and efficient use of the funds, in addition to ensuring the complete operation of the elements established in the Warsaw Framework. Action measures of the ENCCRV related to the strengthening of institutional capacities, law enforcement and providing technical services will also be implemented. These actions and measures are:

- Environmental Education and Dissemination Program (MT.6)
- Strengthening of forest and environmental enforcement (MT.7)
- Programme for the technological transfer of management alternatives and silvoagricultural waste (IF.6)
- Adaptation programme for the management of vegetation resources in the context of climate change, desertification, land degradation and drought (GA.1)

The remaining 80% of the funds will be used to support investment activities at the local level as indicated by the ENCCRV. This will be done in accordance with relevant financial and technical guidelines (https://www.enccrv.cl/medidas-de-accion-de-la-enccrv):

- Afforestation and revegetation program (MT.4);
- Strengthening the ecological restoration program (MT.5);
- Program of restoration after forest fires (IF2);
- Preventive forestry program with emphasis on rural urban interface (IF.3);
- Forest management program. Arrangement and comprehensive management of the native forest in buildings or groups of buildings that incorporate multiple forestry activities (US.1);
- Strengthening the wood energy program (US.3)

These 80% of the funds will be allocated to the five regions of the project (Maule, Biobío[26], Araucania, Los Ríos, Los Lagos) , as follows:

- Basal Allocation (Equity). 50% of the funds will be divided equally across the regions where the reductions and forest carbon sequestrations are generated, without distinction of any type of mitigation result.
- Performance Allocation (Efficiency). This allocation, corresponding to 20%, will be provided according

[26] Since the Nuble region was created in 2018 and used to be part of the Bio Bio region, for the purposes of this FP, Nuble is considered as part of the Biobio region.

to the emission reductions and/or increase in forest carbon absorption generated in each of the regions, compared with the respective FREL/FRL. The allocation will be proportional to the number of tons of emissions reduced and/or increased absorption per region and the financing available.

- Buffer Allocation (Solidarity). The remaining 10% of the funds is meant to assign resources based on the total emissions divided by regional surface. This will equate those regions that, by any circumstances, like force majeure (fires, plagues or other situations), require more intense intervention and therefore of greater duration and cost.

The allocation described above is based on three criteria, corresponding to:

- Equity. To homogenize and allow the normal implementation of ENCCRV's action measures in the regions where the project will operate, without their particularities (social, productive vocation, type of plant resources, etc.), affecting negatively or positively this first distribution, a base financing will be provided that levels out the efforts deployed by the technical teams and institutions in each region, as well as by the owners themselves involved, without limiting it to the specific capacities for reducing emissions and/or increasing forest carbon absorption of each one (Basal Allocation, 50% of the total).
- Efficiency. To encourage the correct use of resources in the territory, prioritizing the most cost-efficient activities of the ENCCRV, as well as field operation, a distribution criterion will be considered based on performance measured in emission reductions and/or increase in carbon absorption generated at regional level (Performance Allocation, 20% of the total).
- Solidarity. Given that there may be catastrophic events of force majeure that affect regional performance associated to emission reduction and/or increasing forest carbon sequestration, for example forest fires, volcanic eruptions, plagues and diseases, among others, an allocation has been considered to alleviate these situations by avoiding that a region suffering from these phenomena reduce significantly the possibility of accessing resources from results-based payments, not only in the present but also in the future (Buffer Allocation, 10% of the total).

In addition, the allocation percentages are proportional to the forest area, therefore the risk is minimal. All assignments are based on the net ERs generated at the regional level as shown in the table:

Region	ER (tCO2e)	Basal	Performance	Buffer
Maule	-972.309	10%		0,8%
Biobío	-7.518.391	10%		6,0%
Araucania	-4.130.756	10%		3,2%
Los Rios	318.088	10%	0,3%	
Los Lagos	26.833.600	10%	19,7%	
TOTAL	**14.530.232**	**50%**	**20%**	**10%**

Considering these values, a positive performance is considered if the region presents in its net balance captures or positive balance. Performance is assigned at regional level.

The project will support the establishment of the regional REDD+ Groups with the expanded membership with the aim to ensure the benefit sharing. The REDD+ Group will be created by the SEREMI of Agriculture in each of the regions and will be composed of the SEREMI of Environment, CONAF, INFOR, INDAP, SAG, SERNATUR, NGOs, Indigenous peoples (when they exist), Private sector, Civil society and Academy, all relevant actors within the regional forestry sector.

The regional REDD+ Groups will provide transparency and efficiency to the distribution of resources according with the Benefit Sharing System[27]. CORECCs, decentralized working groups existing at the regional level in each of the regions, and chaired by the highest regional authority (intendente), will be informed of the activities to be carried out in each of the regions after the prioritization carried out by the REDD+ Group.

The allocations per regions will be divided in the two equal parts, the first half for activities identified by

[27] https://www.enccrv.cl/sdb

CONAF and FAO that will generate impact at an ecological and social level and sustainability over time. The second half will be allocated through call for proposals (selection criteria to be identified during the inception phase).

Beneficiaries

Small forest owners, as per criteria in table 1, will be the prioritized beneficiaries of the project. Other forest landowners will only be considered by exception.

Table 1 Definition of landowner for the purpose of receiving support under project

Criteria	**Reference value**
Small forest landowner	Up to 200 ha in all Regions of the project, except: Up to 800 ha in Lonquimay Comune in Araucanía and Palena Province in Los Lagos
Assets	Up to 3,500 Unit of Account (about 138,000 USD)[28]
Income	Mainly from agricultural or forest activities
Workforce	Landowner must work directly on its land
Legal	Small landholders, Agricultural communities, Indigenous communities, communities on common land, "secano" communities, societies (when 60% of capital under original partners or small forest landowners) Beneficiaries will comply with the Chilean legal framework on land tenure rights or being in the regularization process as per the provisions of the Decree Law No. 2,695 that establish the rules to regularize the possession of small-size properties.

The maximum investment per recipient will be 20,000,000 Chilean pesos (about 28,812 USD[29]).

During the allocation process the consideration will be given to:
a) Vegetation and soil present conditions suitable for implementation of action as defined in ENCCRV
b) Record of well executed Management Plans, supported by the forestry extension program
c) Accessibility to land through most of the year

C.2.2. Expected outputs and outcomes:

This financing will be distributed in two outputs and a program management component; Implementation and Investment (Output 1), supportive and enabling activities to ensuring the complete operation of the elements established in the Warsaw Framework: Safeguard Information System, Forest monitoring system and improvement of the Measurement, Reporting and Verifying process (Output 2) and Program management.

[28] The Unidad de Fomento (UF) is a Unit of account that is used in Chile. The exchange rate between the UF and the Chilean peso is constantly adjusted for inflation so that the value of the Unidad de Fomento remains almost constant on a daily basis during low inflation
[29] Exchange rate of 694.16 chilean pesos per US dollar. Consulted on 26 July, 2019, https://www.imf.org/external/np/fin/data/rms_rep.aspx

Outputs	Activities	Outcomes
Output 1 Implementation and investment	Afforestation and revegetation program (MT.4) - Strengthening the ecological restoration program (MT.5); Program of restoration after forest fires (IF2); Preventive forestry program with emphasis on rural urban interface (IF.3); Forest management program. Arrangement and comprehensive management of the native forest in buildings or groups of buildings that incorporate multiple forestry activities (US.1); Strengthening the wood energy program (US.3)	MT.4 - 7,688 ha MT.5 & IF.2 - 4.271 ha US.1. & US.3 - 9,738 ha IF.3 - 3.844 ha
Output 2. Enabling conditions for ENCCRV implementation	Environmental Education and Dissemination Program (MT.6) Strengthening of forest and environmental enforcement (MT.7) Programme for the technological transfer of management and use alternatives for silvoagricultural waste (IF.6) Adaptation programme for the management of vegetation resources in the context of climate change, desertification, land degradation and drought (GA.1) Technical assistance to support continuity of the technical areas providing sustainability of Warsaw Framework elements established in Law.	Consolidate elements on the Warsaw Framework for REDD+; Reduced illegality; Improved forest management practices; enhanced resilience.

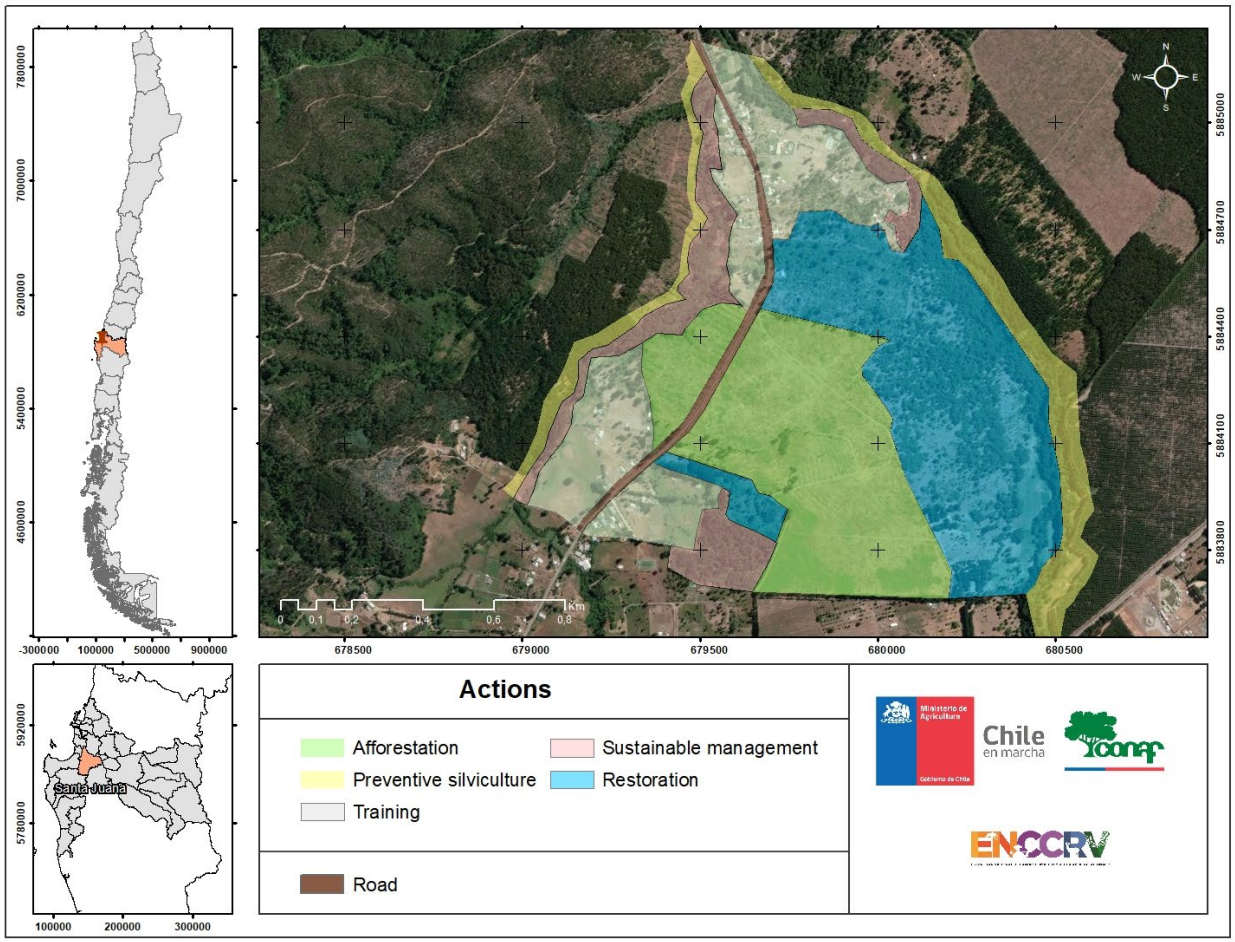
Output 1. Direct implementation in territory
Under this output, the actions in the territory will be carried out for 6 years and support the following actions of the ENCCRV:

- Afforestation and revegetation program (MT.4): This activity's objective is to form permanent native vegetation cover that generates ecosystem services and enhancement of carbon stocks.
- Strengthening the Ecological Restoration Program (MT.5): The objective of the activity is the recovery and enhancement of forests and other native vegetation formations that are under degradation processes.
- Program of restoration of affected ecosystems post Forest Fires (IF.2): Activity destined to the implementation of ecological restoration projects in areas affected by forest fires.
- Preventive forestry program with emphasis on the rural urban interface (IF.3): Activity for the implementation of preventive management cords in native forests, plantations and other vegetation formations, with emphasis on the rural urban interface. The preventive forestry of forest fires seeks to reduce the potential damage of the fire by acting in advance on the vegetation.
- Institutional forest management program (US.1) and Strengthening the wood energy program (US.3): A functional forest management model will be designed, consistent with the silvicultural requirements of forests and other vegetation resources, and in a context of change climate change, combating desertification, land degradation and drought and multi-causal pressure on vegetation resources, as well as supporting value chains and energy markets.

These actions will be implemented in public or private areas, thus proving associative actions in the different territories that promote a sustainable market for the native forest and generating new emissions reductions, protecting environmental and social resources. (see example of zoning for different activities in Figure 1 below).

The beneficiaries of this financing and who are associated with the private land must correspond to small or medium owners, as established in Law No. 20,283.

Example of selected property for running multiple measures.



Output 2. Enabling conditions for ENCCRV implementation

The resources received from the GCF through REDD+ payments will give sustainability and ensure the complete operation of the elements established in the Warsaw Framework (the Safeguard Information System, the Forest monitoring system and improvement of the Measurement, Reporting and Verifying process, etc). Action measures already identified in the ENCCRV will also be implemented in the context of training and technical assistance such as enforcement, education and forestry extension measures.

- Environmental Education and Dissemination Program (MT.6)
- Strengthening of forest control and environmental programmes (MT.7)
- Programme for the technological transfer of management and use alternatives for silvoagricultural waste (IF.6)
- Adaptation programme for the management of vegetation resources in the context of climate change, desertification, land degradation and drought (GA.1)

Project management

Administrative and technical management of the project, which will be carried out by FAO in its role as EE, ensuring funds are effectively managed to deliver results and achieve objectives.

The Program Management includes i) Project management; ii) Direct project costs, iii) Provision of supervision services to the project. Specifically, the project management includes the Project Management Unit, direct costs to ensure the necessary support services to deliver the outputs set out in the Project Results Framework (ex. procure equipment and supplies, organize travel, pay commitments of the projects, prepare certified financial reports, and ensure project personnel are safe and have access to FAO systems) and the costs of supervision and quality assurance of project documentation and implementation throughout the cycle associated with FAO's role as an EE, ensuring the quality of project monitoring.

C.2.3. Timeframe of implementation (for monitoring and reporting purposes):

The execution of the project d will be over 6 years, where it is expected that the first two years will be used to carry out the preparation actions, linked for example with the extension, preparation of the institutionality, preparation of the projects and territories, including agreements with local and institutional stakeholders, as well as mapping and cadastre of the territory in order to plan implementation activities in the six regions. This includes all the enabling actions necessary to develop high-scale projects, addressing an associative approach. The other 4 years will be dedicated to implementation of the specific actions of the ENCCRV.

Outputs	Expected year to be achieved
Preparation of portfolio of projects and owners interested in the actions of Forestation, Restoration, Sustainable Management and Preventive Forestry	2 years
Preparation and generation of inputs to execute the projects	2 years
Execution of projects in the territory	6 years
Training, technical assistance and control	6 years
Technical and administrative management	6 years

C.2.4. Budget estimate (for monitoring and reporting purposes):

Following the procedures of the Terms of Reference for the REDD+ pilot programme for Results-Based payments, the iTAP recommended that THE Board consider the following

1. Total score achieved 41/48
2. GCF volume of ERs: 12.411.229.6 tCO2 eq
3. Additional 2.5 per cent for use of proceeds and non-carbon elements
4. Proposed REDD-plus results-based payments (USD 5/tCO2eq): USD 63,607,552

The Table below provides a detailed budget for the project at the Output and Activity levels.

Component	**Output**	**Indicative activities**	**Indicative costs (USD)**[30]
Forest sector actions contribute to the implementation of Chile's Nationally Determined Contributions	Output 1: Implementation and investment	Preparation	2.263.788
		Reforestation (MT.4)	16.434.788
		Restoration (MT.5 & IF.2)	9.607.469
		Sustainable management (US.1& US3)	15.717.733
		Forest fire prevention (IF.3)	4.287.913
		Total Output 1	48.311.691
	Output 2: Enabling conditions for ENCCRV	Technical assistance to support consolidation of Warsaw Framework elements and part of MT.6, IF.6, GA.1 and MT.7	5.399.788

[30] To ensure gender mainstreaming within the implementation activities, it has been established that 40% of the budget will be used to comply with the indicators of the Gender Action Plan.

	implementation	Capacity Building (MT.6, IF.6, GA.1)	1,074,836
		Enforcement (MT.7)	2.079.788
		Total Output 2	8,554.412
	Project management expenses	Project management Unit	2,288,920
		Direct program costs	2,226,264
		Provision of supervision services to the program	2,226,264
		Total Project management expenses	6,741,449
	Indicative total cost		63,607,552

C.2.5. Implementation arrangements:

List and describe the institutions involved in the activities that will be funded with proceeds from this pilot programme, and explain their anticipated roles and interactions with one another, including the flow of funds.

The Government of Chile, through CONAF has requested FAO's technical assistance for the design and implementation of the REDD plus Result Based Payments. It has also specifically requested that FAO act as executing entity for this project. Responding to this request, FAO will serve both as Accredited Entity and Executing Entity.

As an accredited entity of the GCF, FAO's overall role is to provide oversight and quality assurance through its Headquarters and the Chilean Regional Office. FAO will carry out both operational and administrative support activities, as well as advisory and technical support functions during the implementation of the Project. As Executing Entity, FAO Chile Country Office will carry out operational and administrative support activities which include the provision of the following services:

- Payments, disbursements and other financial transactions.
- Recruitment of staff, project personnel, and consultants.
- Procurement of services and equipment, including disposal.
- Organization of training activities, conferences, and workshops, including fellowships.
- Travel authorization, visa requests, ticketing, and travel arrangements.
- Shipment, customs clearance, vehicle registration, and accreditation, among others.

GCF and FAO will enter into an FAA, under which FAO shall administer the relevant GCF Proceeds to be used for the financing of the Project, in accordance with the FAA and AMA. As Executing Agency, FAO shall spend the GCF Proceeds in the project directly and will be implementing under FAO's Direct Implementation modality.

FAO may also enter into agreements with other organizations and entities which may carry out project activities and produce project outputs on behalf of executing entity. These arrangements seek to facilitate and enhance the effectiveness of the implementation of the project. These entities are accountable directly to Executing Entity and will be selected by FAO and CONAF, as per FAO Rules and Regulations.

FAO may use the following instruments when entering into agreements with other partners:

- **UN to Un Agreement**, used when it exists the need of transferring funds from FAO to another UN Agency for the purpose of programmatic activities.
- **Letter of Agreement**: It is a contractual arrangement with academic or nonprofit organizations to obtain specific technical services that cannot exceed USD 500,000.- and ruled by the Procurement regulations of FAO.
- **Contracts**: It's a contractual arrangement with private institutions to purchase goods or specific

technical services and ruled by the procurement regulations of FAO.

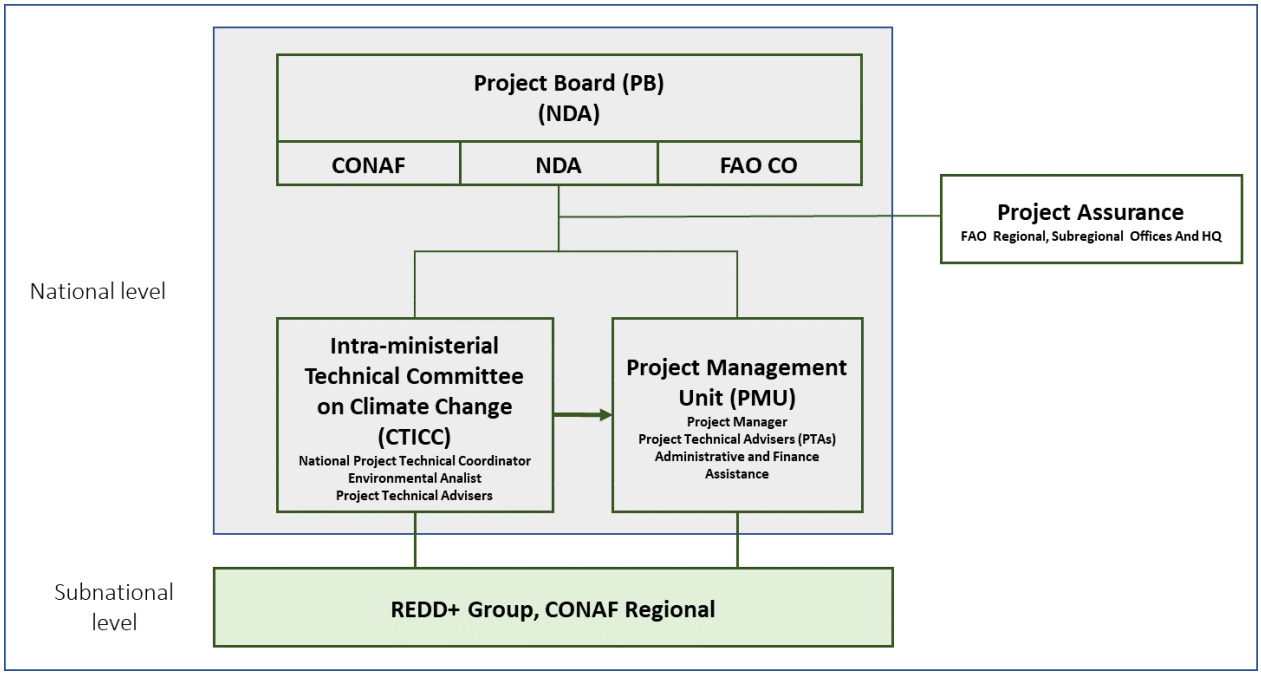
FAO will act in close coordination with CONAF as the technical entity responsible for forest public policies and the ENCCRV, in addition to its status as a National Focal Point to the CNULD, and the CMNUCC 's REDD+ approach. CONAF will also support technical oversight and management through its role on the Project Board, as well as for its participation in the Intra-ministerial Technical Committee on Climate Change; though the representatives of the Climate Change and Environmental Services Unit (UCCSA).

The UCCSA, which was validated by CONAF's Board of Directors through Resolution No. 581 of December 24, 2014, has a multidisciplinary technical team of professionals of different specialties capable of developing the activities framed in the ENCCRV. In addition, in each CONAF Regional Office there is a Regional Coordinator trained in related matters as part of the permanent team of the institution.

The Green Climate Fund and the Food and Agriculture Organization of the United Nations (FAO), shall enter into a Funded Activity Agreement ("FAA") in due course. The FAA shall (A) incorporate the relevant terms and conditions of the Terms of Reference for the REDD+ RBP Pilot Programme adopted by Decision B.18/07 ("TOR"), and (B) the terms of the Accreditation Master Agreement entered into by the Parties on 8 June 2018 and effective as of 4 October 2018. The arrangements to be entered into by the Accredited Entity with the Host Country are described in more detail in the term sheet and will be reflected in the project agreement.

The implementation arrangements described below and summarized in the figure below constitute the Project Board; Intra-ministerial Technical Committee on Climate Change, Project Management Unit, Project Assurance and at the subnational level the REDD+ Group and the Regional CONAF Offices.

Project management arrangements



Project Board

The Project Board is the government body that will provide overall guidance and direction to the project and approve the Annual Work Plans (AWP). It is responsible for making management decisions by consensus or majority, when guidance is required by the Project Manager, including recommendations for FAO approval of project plans and revisions, and addressing any project level grievances. To ensure FAO's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective

international competition. The specific responsibilities of the Project Board include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager;
- Provide guidance on new project risks, and agree on possible countermeasures and management actions to address specific risks;
- Agree on project manager's tolerances as required;
- Analyze and discuss the development of the Project activities and recommend changes as required based on project monitoring and evaluation processes and products and in line with FAO policies;
- Discuss and approve the Annual Work Plans ensuring that required resources are committed;
- Appraise the annual project implementation report, including the quality assessment rating report; make recommendations for the workplan;
- Provide ad hoc direction and advice for exceptional situations when the project manager's tolerances are exceeded; and
- Discuss and approve the Progress Reports and Final Report of the Project;
- Analyze Project achievements and assure these are used for performance improvement, accountability and learning; and
- Settle controversies arbitrating on any conflicts within the project or negotiating a solution to any problems with external bodies.

The Board shall be composed of FAO, the Designated National Authority (NDA) and CONAF and their respective alternate members. The Board may be enlarged by agreement between the Parties. FAO will represent the main executing agency of the project, chairing and organizing its meetings at least once a year or at the request of either Party.

Intra-ministerial Technical Committee on Climate Change (CTICC)

The CTICC will be a Technical reviewer of the Project and will have within its functions the following tasks: i) the strategic and technical orientation of the project; and ii) the review of the final version of the progress reports.
The CTICC is composed of all MINAGRI services including representatives of ODEPA, CNR, SAG, INDAP, CIREN, CONAF, INFOR, DGIR, AgroSeguros, FIA and is coordinated by ODEPA.

Project Management Unit (PMU)

Under the overall guidance of the Project Board, according with the technical guidance of the CTICC, the Project Management Unit (PMU) will be responsible for overseeing the day-to-day execution of Project activities. The PMU will have responsibility for, among others: (i) operational planning, managing and executing the project including the direct supervision of project activities subcontracted to specialists and other institutions, as well as those that are to be implemented through the MMA, if applicable; (ii) coordinating the management of financial resources and procurement; (iii) reporting on the application of resources and results achieved; (iv) preparing management reports for the Project Board, Intra-ministerial Technical Committee on Climate Change, GCF, NDA and FAO including annual reports and any proposals for the adaptive management of the Project, if required and based on inputs from the Project M&E plan; (v) promoting inter-institutional linkages; and (vi) disseminating project results.

The PMU will consist of one Project Manager, Project Technical Advisors (PTAs), Administrative Financial Assistants, and technical consultants responsible for specific deliverables and hired with GCF resources The PTA will include a Safeguards Specialist to support the PM to oversee the implementation of the ESMF, the Gender Action Plan (GAP) and the Indigenous Peoples Planning Framework (IPPF). FAO will require certification that those persons have completed the Environmental and Social Risk Management Training

Module[31]. This with the aim of ensuring project staff capacity to identify and evaluate environmental and social risks and to promote improved environmental and social performance of the project. Likewise, the implementation of gender-related work will be guided by CONAF Unit for Gender Equality (UGE), coordinated with the CONAF safeguards team. The PTA will support project implementation, channeling technical inputs and guidance into the planning and execution of project activities. The PTA will hold internal meetings in CONAF as needed to integrate the CONAF specialists' guidance into project implementation and ensure consistency between the various project elements and activities provided or funded by other donors. Upon request of CONAF implementation will be through FAO's Direct Implementation modality with FAO providing direct project services, such as procurement and hiring of consultants following best value for money, transparency and effective competition. These will follow current FAO policies and procedures including those for cost recovery. Upon request of the CONAF, FAO will also provide technical backstopping during the implementation of the project. The costs corresponding to this technical support towards project execution will be recovered following FAO's policy.

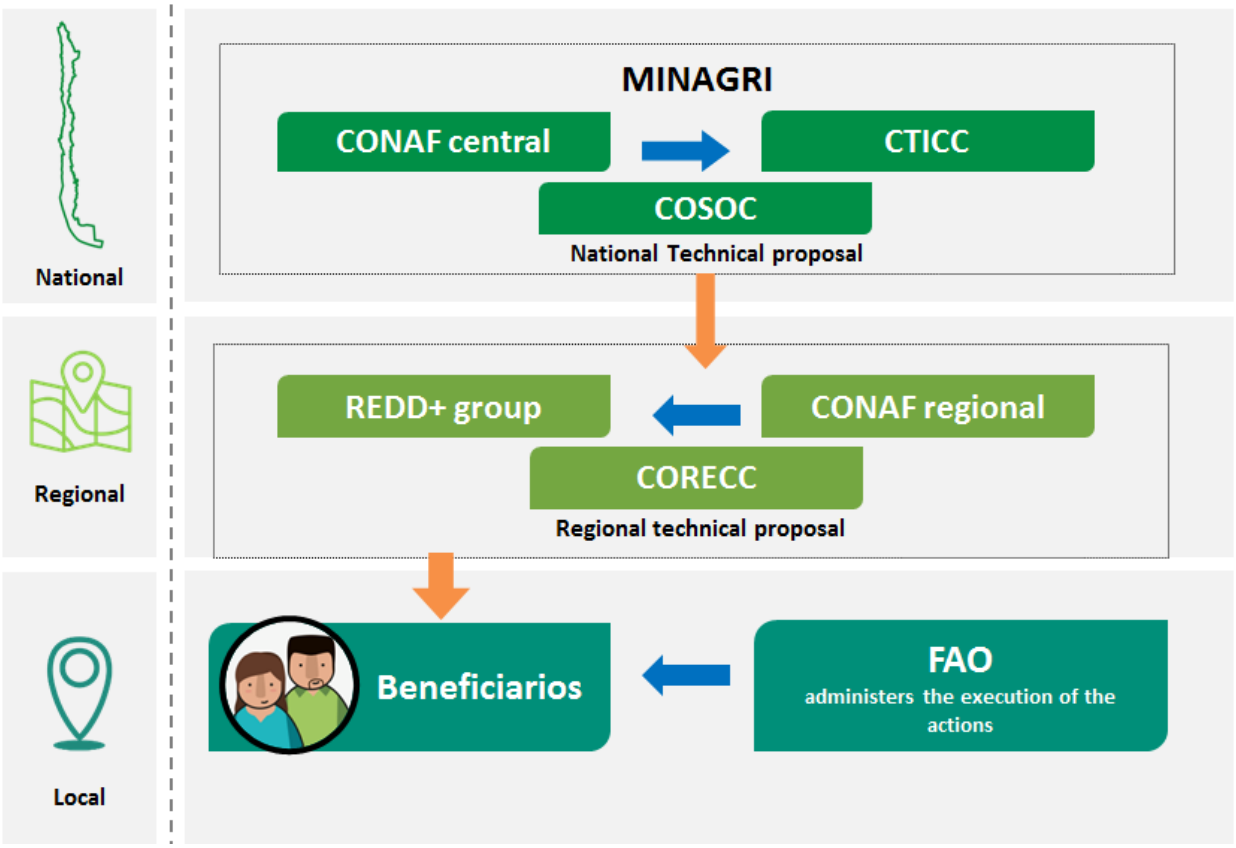
The PMU will be led by the Project Manager (PM) and will be responsible for the overall management and implementation of the project's activities and requesting disbursement of the Project´s resources for their execution. The PM is recruited by and reports to the Budget Holder (FAO Representative in Chile) on operational and managerial matters. The PM leads the management of the project activities as per approved AWPs, including financial, budget and human resources,. S.he also prepares detailed project annual work plans in collaboration with the project management unit and according to logical framework.

Under the Project Manager's lead and guidance the PMU team will support the Intra-ministerial Technical Committee on Climate Change in the preparation of the Annual Work Plans (AWP) for the effective and efficient implementation of the project activities to achieve stated objectives; will be responsible for all substantive reports from the Project, to be submitted to approval of the Intra-ministerial Technical Committee on Climate Change; will prepare and/or oversee the development of Terms of Reference for consultants, subcontractors and partnerships hired for specific technical assignments and their close monitoring, in accordance with the Intra-ministerial Technical Committee on Climate Change guidance, ensure consistency between the various project elements and activities provided or funded by other donors; and develop reports on project progress on the project for the PB and technical meetings, and other appropriate fora. The PM is a full-time position continuing for the duration of the Project, reporting directly to FAO.

The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Board within the guidance laid down by the Board and in accordance to the guidelines of the Intra-ministerial Technical Committee on Climate Change. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

[31] FAO has developed an e-learning on Environmental and Social risk Management to support the implementation of the guidelines by building the capacity of staff on the risk management process in FAO

Benefit Distribution System

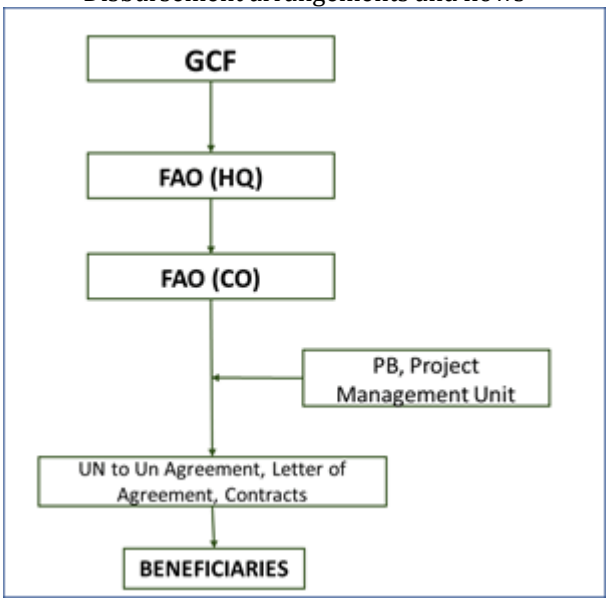


This management arrangement includes two instances of validation, evaluation, prioritization and selection

Disbursement arrangements and funding flows

For the execution of the ENCCRV's incentive and investment program (Output 1), FAO will directly purchase goods, services and equipment for the beneficiaries, with the option of subcontracting to other entities as mentioned in Section C 2.5. For the implementation and governance of the National REDD+ Strategy (ENCCRV) associated with Output 2, FAO will hire administrative and technical staff to manage the operational aspects of the programme. The following diagram summarizes disbursement arrangements and flows.

Disbursement arrangements and flows



C.2.6. Non-carbon benefits:

Provide information on the non-carbon benefits associated with the implementation of REDD+ activities, explaining their nature, scale and importance for the long-term sustainability of REDD-plus activities and providing evidence to this regard.

Since the beginning of the design of the demonstration projects of implementation, Chile has considered the development of these projects in areas where not only carbon capture is enhanced, but also where the multiple benefits of the forest are generated. From the beginning of these works, three indicators of environmental co-benefits linked to the action measures of the ENCCRV and the REDD+ approach were considered, which corresponds to: (1) improve the regulation of the water resources, as well as the water quality; (2) promote soil conservation and reduce the erosion; (3) improve the landscape, conservation and biodiversity. Due to this approach, some of the experiences of demonstration projects have been carried out in rural areas that have a Rural Drinking Water committee (APR, acronym in Spanish). These APRs capture drinking water that is generated in springs and distribute it to downstream communities. The committee has its own internal governance as well as representation at national level. Using the advantage of having an installed governance structure, forest areas were restored upstream of the APR facilities, contributing to the three mentioned indicators. In addition, through the use of hydrological models, soil erosion models and landscape fragmentation indexes, it was estimated that these restoration actions contributed favorably to these indicators.

The quantitative economic valuation of the benefits of the ENCCRV was undertaken considering the following flows of benefits for the 5 regions: carbon capture, water provision, timber production, non-timber forest products, biological control and biodiversity. The estimates were made for three of the activities (ecological restoration MT.5, Forest management Programme (US.1) and Reforestation (MT.4). A with-ENCCRV and without-ENCCRV scenario was developed and the economic valuation was made for the range of benefits. The estimate not only finds a positive net benefit from the implementation of the ENCCV, but that the estimated non-carbon benefits for the ENCCRV are 1.2 times larger than the carbon benefits (valued at USD 32.5 /tCO2, as can be seen from the table below.

	Ecological restoration (MT.5)	Forest Management Programme (US.1)	Reforestation (MT.4)	Total
Area (ha)	98,188	88,880	123,131	310,199
Carbon	221,782,587	151,956,197	411,110,277	784,849,061
Timber	130,833,602	298,972,597		429,806,199
Non-timber forest products	10,040,243	5,324,151	41,963,574	57,327,968
Biodiversity	38,083,161	20,194,781	159,192,636	217,470,578
Water provision	34,769,239	18,701,850	67,775,695	121,246,784
Tourism	10,421,307	5,245,862	18,906,773	34,573,942
Nutrient regulation			59,194,612	59,194,612
Erosion control			16,924,667	16,924,667
Biological control			2,504,894	2,504,894
Total Benefits (USD 2015)	**445,930,139**	**500,395,438**	**777,573,128**	**1,723,898,705**
Total costs (USD 2015)	**213,339,710**	**183,797,805**	**290,589,849**	**687,727,364**
Net total benefits (USD 2015)	232,590,429	316,597,633	486,983,279	1,036,171,341
Net total benefits / ha (USD 2015/ha)	2,368.83	3,562.08	3,955.00	3,340.34
Benefit/cost ratio	2.09	2.72	2.68	2.51
Carbon benefits	221,782,587	151,956,197	411,110,277	784,849,061
Non-carbon benefits	224,147,552	348,439,241	366,462,851	939,049,644
Non-carbon/carbon benefit ratio	1.01	2.29	0.89	1.20

Currently, to expand this methodology at national level, a consultancy is being initiated, whose objective is the development of an environmental and social Co-benefits System (SCB, acronym in Spanish) at national level and that will include the systematization of official data for the implementation of territorial baselines of at least six co-benefits indicators, consisting on three environmental and three social indicators. These products will be linked to the ENCCRV Platform, making the information available to interested persons and institutions in a transparent and expeditious manner. The SCB is expected to be operational in June 2020.

With the implementation of the RBP funding, it's expected to improve the existing agricultural and forest practices and generate new practices under an adaptive framework that considers the new temperatures and water availability scenarios that the managers of vegetation resources will face. Under this logic of adaptation, a key element will be the valorization and understanding of the multiple supplies, support, cultural and regulatory services that ecosystems provide to society as a whole. Therefore, demonstrative areas of adaptive management of native forests and other ecosystems will be created throughout Chile, which would be virtuous nuclei of associativity, productive and conservation chaining in a climate change scenario, and technical referents for owners who will be able to replicate the activities to be included in the ENCCRV.

In the above-mentioned scenario. The ENCCRV will enhance co-benefits such as the protection of water resources in watersheds and micro-watersheds, improving the production of this vital resource in quantity and quality, considering a scenario of scarcity and lower availability of water resources. There will also be a concrete impact in the recovery of degraded soils and in the reduction of the risk of floods and mass removals in the intervened watersheds and micro-watersheds, all of these phenomena are associated with Chile's vulnerability to climate change, thus, their mitigation is a key factor of Chile's adaptation to global change.

More information can be found in the following links: https://www.enccrv-chile.cl/index.php/descargas/publicaciones/669-nota-informativa-18-pc-1/file ; https://www.enccrv-chile.cl/index.php/descargas/publicaciones/708-nota-informativa-19/file .

D. Investment Framework

Describe in this section how the proposed REDD-plus results-based programme aligns with each of the criteria of the Investment Framework for the activities that lead to the achieved results for the full period over which the results being submitted in this proposal were achieved.

D.1. Impact potential

Describe the potential of the programme to contribute to the achievement of the Fund's objectives and results areas.

Between 2014 and 2016, Chile has generated significant REDD+ results for the following REDD+ activities: deforestation, degradation, increase in carbon stocks and conservation. In total, this amounts to 18,409,425 tCO2e, making Chile transition from an almost carbon neutral country in terms of these activities, into a significant net-sink for carbon.

Annual reduction in emissions per REDD+ Activity (tCO2e/year)

	Deforestation	Degradation	Increase in carbon stocks	Conservation	Total
Reference period	3,452,885	9,149,392	(10,012,012)	(2,430,348)	159,917
Monitoring period	3,304,373	13,680,124	(19,010,937)	(3,950,207)	(5,976,648)
Reduced emissions	148,513	(4,530,732)	8,998,925	1,519,769	6,136,475

As highlighted above, a significant change in the Monitoring period in contrast to the reference period refers to a significant increase in carbon stocks and a reduction in deforestation that more than offset the increase in degradation.

In addition to these impacts, the eventual proceeds to be received from the GCF would be devoted to the implementation of the ENCCRV and contribute to its achievement. The potential mitigation benefits associated with these measures are 1.147.800 tCO2e accumulated at 2025 and 1.975.812 tCO2e accumulated by 2030.

Within the framework of the Nationally Determined Contribution, Chile is committed to the sustainable management and recovery of 100,000 hectares of forest, mainly native, which will represent catches and

reduction of greenhouse gases in about 600,000 tons of CO2 equivalent per year, starting in 2030 This commitment is conditional upon the approval of amendments to the Law on Native Forest Recovery and Forest Development. The activities of sustainable management and forest recovery of the proposed project could reach 40,000 tCO2e per year by 2030.

Additionally, Chile undertakes to afforest 100,000 hectares, mostly with native species, which will represent catches of between 900,000 and 1,200,000 tons of CO2 equivalent per year, starting in 2030. This commitment is conditional upon the extension of Decree Law 701 and the approval of a new Forestry Development Law. The afforestation and forest restoration activities of the proposed project could reach 256,000 tCO2e per year by 2030. In addition, after the submission of the ER Program to the FCPF's Carbon Fund, Chile started the negotiation of and Emission Reduction Purchase Agreement (ERPA) with the World Bank. This ERPA considers the same area as the GCF results-based payments (Maule to Los Lagos Regions) but different periods. The total volume of emission reduction that are being considered for this agreement is 5,200,000 tCO2eq. The periods considered for the ERPA goes from 2018 to 2025.

D.2. Paradigm shift potential

Describe the degree to which the REDD-plus activity catalysed impact beyond a one-off programme investment.

According to the 2016 GHG Inventory of Chile, the LULUCF sector represented -37.0 % of the GHG emissions balance in 2016. These results in avoided emissions are in part the result of a new legal framework as well as positive incentives in line with REDD+ objectives, such as the Law 20283 on the Recovery of Native Forests and the Promotion of Forestry issued in 2008. This legislation reinforced the measures to conserve forest, expanded the inspection functions of the CONAF, improved land planning and imposed measures to improve forest management plans and regulates the transport of timber and non-timber forest products. In addition, it established the Conservation, Recovery and Sustainable Management of Native Forest Fund, as well as fiscal incentives.

While it should be noted that REDD+ results cannot be directly attributed to a specific policies or measures, the aforementioned reformed legal framework and its implementation is likely to have contributed, alongside other factors, to emission reductions.

The analysis of drivers of deforestation[32] conclude that most of the deforestation and degradation is linked to the unsustainable use of forest for production, followed by forest fires and the expansion of land for agriculture and livestock. The underlying causes of deforestation and degradation were found to include: weak forest institutions; deficient economic model for native forest production; lack of producer associations; low economic return from native forests; limited inspection; and limited incentives. Some of these aspects were started to be addressed through Law 20283, including: economic incentives (bonuses), the technical support (generation of management plans) in the design and management of the native forest, the elaboration and updating of the cadastre of Native forest, and research incentives.

Between 2009 and 2016, the newly Conservation, Recovery and Sustainable Management of Native Forest Fund supported 148,538 ha of forest, nearly half of it corresponding to small forest landowners, in the five provinces covered under the subnational reference levels. The total sum of investments in these regions was 39 million USD during the same period.

In the ENCCRV, a goal of 264,000 hectares of implementation in the territory is proposed, which is aligned with the goals established in the NDC for the sector Land Use, Land Use Change and Forestry (LULUCF), which establishes a goal of afforestation of 100,000 hectares and a management goal for another 100,000 hectares, in both cases the objective is to generate a reduction of CO2eq emissions, which presents the first major paradigm change for the Chilean forestry sector, which has been boosted due to the positioning of the wood and cellulose industry.

Therefore, to achieve the objectives and goals set, the ENCCRV would contribute to reduce gross emissions of the LULUCF sector in accordance with the provisions of the INGEI and to fulfill an important part of the national commitments established in the NDC. In addition, the proposed actions include important elements of innovation and adaptation in the design and operational practices of afforestation, restoration and

[32] https://www.enccrv-chile.cl/descargas/publicaciones/344-nota-informativa-n-7/file

management, which are expected to trigger a paradigm shift that catalyzes the long-term impacts of the project. This effort involves all the administrative regions of the country and different types of property, however with this pilot will begin to test the necessary institutional arrangements in six of the sixteen regions of the country.

It is also expected to generate a significant amount of environmental, social and economic co-benefits, which will result in an increase in ecosystem services in the intervened areas, which will be reflected in an improvement in the quality of life of local actors, in the improvement of management practices of native vegetation resources, and an increase in the natural capital of the country, reducing the vulnerability to climate change of these resources and their communities.

In the execution in the territory, the reinvestment of financing from the GCF is sought to be a trigger for investment and achieve the scalability of the projects due to the great potential of more than 20 million hectares available for the activities described above, considering the link public-private approach associative actions to sustainably manage the native forest in the different prioritized territories.

D.3. Sustainable development potential

Describe the wider benefits and priorities, including environmental, social and economic.

The Law of the native forests was drafted with a number of environmental, economic and social considerations in mind:

a) Environmental co-benefits: Native forests constitute an ecological, genetic and even cultural national heritage that, in many respects, is unique worldwide. Similarly, native plant formations play a role as environmental regulators that includes even global climatic stability; They protect the soil against erosion and regulate water flows, allowing the slow melting of snow and in general the orderly and regular delivery of rainwater.

The application of the law addressed the incentives for environmental deterioration due to poor resource management where there are insufficient incentives to invest in the long term.

b) Economic co-benefits: The native forest has a high productive potential. It is - if taken in comparative terms - of one of the most productive forests in the world. When they are under adequate management techniques, their productivity can be between 2.0 to 7, 0 m3 / ha / year. Therefore, by encouraging its management and exploitation, Chile is also promoting a significant wealth that will be added to the one that exists in forest plantations.

c) Social co-benefits: The timber and firewood have a double significance both for the forest and for the rural inhabitants. From the point of view of the latter, the vegetative resources constitute almost their only source of energy supply, in an environment where there are no other sources.

d) Educational co-benefits: the proposal includes resources to be directed at supportive and enabling activities at local level in the regions, including environmental education and dissemination program. These activities will promote sustainability in the long term of the solutions being implemented.

The Law of native forest supports technification and forest planning for timber and fuelwood production purposes, creating economic incentives for the development and conservation of the native forest, addressing the needs of forest landowners and their families for energy and income.

These three dimensions provide the sustainability of the policies and actions triggered by the Native forest Law and that were significant for the achievement of the reported mitigation results by Chile.

The proposed investments in the present project seek to generate incentives for the owners of land with native forest in the intervention areas of the project that would not otherwise occur. These investments are mainly aimed at (1) improving the environmental services provided by native forests, (2) ensuring the sustainability of productive activities in the forests, (3) improving the private profitability of these activities and (4) improving control. in order to discourage informal activities. These four results derived from the use of resources will

generate social and economic benefits.

The magnitude and scope of these measures will depend in large part on the territorial focus of the direct and indirect activities, which, according to the ENCCRV, will be based on a technical and strategic analysis that considers various variables associated with environmental, social and economic criteria. These criteria will allow directing actions towards actions that maximize environmental, social and economic benefits.

Environmental benefits (for specific estimates see also section on co-benefits above)

- The Greater sustainability of use and conservation of the ecosystems and natural resources associated to the territories and zones of silvoagricultural use will be promoted with the increase of surfaces under sustainable management of the native forest, xerophytic formations and other vegetation resources that are incorporated through the measures of action of the ENCCRV related to the promotion, forestry extension, technical and technological transfer, environmental education, control and adequacy of forest management instruments that favor the protection of natural resources and the conservation of the natural and cultural heritage of the country.
- Production of environmental services or co-benefits of the forest with a high valuation of local and indigenous communities as the continuity and composition of the landscape, the greater quantity and quality of water, increase of biodiversity, leisure areas, etc.,
- To contribute to the Greater conservation and increase the biodiversity associated to the vegetation resources with the measures of action that foster the restoration and the increase of the surfaces of native forest in silvoagricultural lands.
- Contribute to the increase in the regulation of hydrological processes through the conservation and increase of forested areas, generating more quantity, higher quality and a longer period of water availability for domestic consumption, irrigation and for the associated flora and fauna to forests and vegetation resources.
- Recovery and protection of soils in the process of degradation, eroded and abandoned due to their low productivity, favoring that with the implementation of action measures of the ENCCRV, these are incorporated again into the production cycle, dunes and hillsides are stabilized, the turbidity of the water, avoid micro and macro landslides, among others.
- Increased resilience of ecosystems, the arrest of land degradation and drought, improvement in environmental services, the reduction of pollution, as well as the reduction of natural risks such as floods and fires, among others.

Social benefits

- Contribute to improving the quality of life of the rural population in the long term by increasing the sustainability of the natural resources of the territories through the implementation of action measures of the ENCCRV that ensure the permanence, conservation and use of said natural resources by part of the next generations.
- Restoration of the "use value" that forests and vegetation resources provide to local communities, indigenous people and society in general.
- Contribution to the conservation of the traditional and cultural activities of the indigenous peoples, associated to the native forest and vegetation resources of their territories, as for example; the collection of non-wood forest products, the protection and protection of areas of ancestral and patrimonial use.
- Reduction of the occurrence of fires in areas of urban-rural interfaces through the management measures promoted by the ENCCRV to lower the probability of risk of accidents that affect the life of the population, their homes, and goods in general.
- Improvement in the conditions of the fiscal territories through the increase of the forest mass and the reduction of fire risks (Wild Protected Areas and others) that will allow to ensure the enjoyment of the environmental services that society demands in an increasing way together with the increase in your valuation.

Economic benefits

- Increase in the quality of life of the rural population through higher income derived from economic activities associated with the sustainable use of native forests, as well as non-monetary benefits such as greater resilience of production systems, improvement of environmental services. .
- Training and learning of the owners with technical knowledge that will allow them to be better qualified for the productive-sustainable management of their properties.

- Generation of jobs for the implementation of the action measures that the owners decide to execute within the framework of the ENCCRV, being common that for forestry activities that are implemented at the level of small owners and of small scale, it is they who carry them out.
- Incentive and increase of the formal commercialization of firewood and other wood products of the forest through the sustainable management of the native forest and the increase of its productivity, bringing with it a greater economic benefit for the owners.

Impact on development with a gender perspective

- Effective incorporation of women in the actions of the ENCCRV through specific indicators that will be included in the Safeguards Information System to monitor the gender aspects with the purpose of ensuring that these are not left out of the benefits they generate with the different measures of action, since it is essential that this initiative does not replicate, deepen or create new forms of discrimination against women, considering that according to the World Economic Forum and its Global Gender Gap Index 2014, better known as "WEF Ranking" , Chile is located in the No. 66 place among 142 countries that present reduction of gaps between men and women.
- Additional consideration is that actions that are programmed to contribute to mitigation from the perspective of women, will generate jobs in that same direction.

D.4. Needs of the recipient

Describe the vulnerability and financing needs of the beneficiary country and population.

Chile is vulnerable to climate change because it meets seven of the nine characteristics of vulnerability according to Article 4 of the UNFCCC, of which four are linked to the objectives of the ENCCRV, which correspond to:

- Areas prone to natural disasters
- Areas prone to drought and desertification
- Arid and semi-arid zones, wooded areas and areas susceptible to forest degradation
- Fragile ecosystems, including mountainous ecosystems

Reducing the vulnerability of fragile ecosystems as well as increasing resilience based on the implementation of the action measures of the ENCCRV, avoiding degradation, deforestation and establishing new forests, is directly related to and contributes to the provisions of the 5th Evaluation Report of the Intergovernmental Panel on Climate Change that highlights for the country the severe impacts it faces on its resources and ecosystems, in particular for fisheries and aquaculture, water resources, biodiversity, the forestry-agricultural sector, temperature and rainfall. These vulnerabilities and impacts have also been documented in national communications to the Secretariat of the UNFCCC and are being duly internalized in the National Action Plan on Climate Change.

The ENCCRV will contribute to reducing social vulnerability in the areas with the largest rural population in the country, which coincidentally contain the largest forest formations at the national level, this because, according to the data of the 2002 Census, more than half of the national population (53%) corresponds to people living in the rural sectors of the country, concentrating mainly between the Maule and Aysén regions. It should be mentioned that among the most vulnerable groups in the country are indigenous and non-indigenous rural communities, added the gender factor, and even more so if it is an indigenous woman.

With a comprehensive approach and with the intention of favoring the most vulnerable groups since the formulation of the ENCCRV is that a series of social and environmental safeguards constituted by the guidelines of international conventions such as the UNFCCC, the Convention on Diversity, have been considered. Biological and the United Nations Convention to Combat Desertification, guidelines for international donors such as the World Bank's Operational Policies, the UN-REDD Program guidelines, among others, in addition to the current national legislation as a pillar for safeguarding and protection of such vulnerable groups, namely; Law No. 20,500 on citizen participation, ILO Convention 169, Transparency Law 20285, Indigenous Law, Laws related to the protection of forests, etc.

It should be noted that the most vulnerable groups in Chile correspond to indigenous peoples and rural local communities, together with the gender factor that increases socioeconomic vulnerability. In relation to indigenous peoples, there is a total of 2.185.792 inhabitants, which corresponds to 12.8% according to the

Population and Housing Census of 2017. According to data provided by the National Institute of Statistics (INE), the population distribution according to indigenous peoples, mostly corresponds to Mapuche with 79,8%, followed by 7.2% by the Aymara population and 4.1% Diaguita., with the Colla, Quechua, Rapa Nui Lickanantai, Kawashkar, Yamana constituting the rest. In conclusion and according to the key data provided by the INE, the largest indigenous population lives in rural areas. Another relevant factor to consider, that indigenous peoples represent 4.4% of the Economically Active Population (EAP) of the country.

According to the gender factor in the economic characterization, in the rural sector the participation of indigenous women is lower than in the urban sector, being similar to the non-indigenous population, according to data provided by INE.

D.5. Country ownership

Describe the beneficiary country ownership of, and capacity to implement a funded project or programme (policies, climate strategies and institutions).

The project is consistent with national environmental policies, and the agreements acquired by the country with instances such as the UNFCCC and UNCCD. The project, in turn, contributes to the reduction of CO2e emissions and increase of forest carbon stocks, committed by the country in its NDC, for the sector associated with vegetation resources. The ENCCRV build upon the framework of the Law on Native Forests to enhance its impact in a way that also maximizes its contribution to mitigation efforts.

For this, CONAF is in charge of the coordination and implementation of the actions and the necessary work to be able to carry out the ENCCRV, it also has a long history, technical knowledge and presence in all the regions of the country, which allows to operate local in the territories according to the objectives of the ENCCRV.

In the development of the ENCCRV, since its inception has had the support and participation of civil society, ensuring respect for environmental and social safeguards throughout the processes and to date.

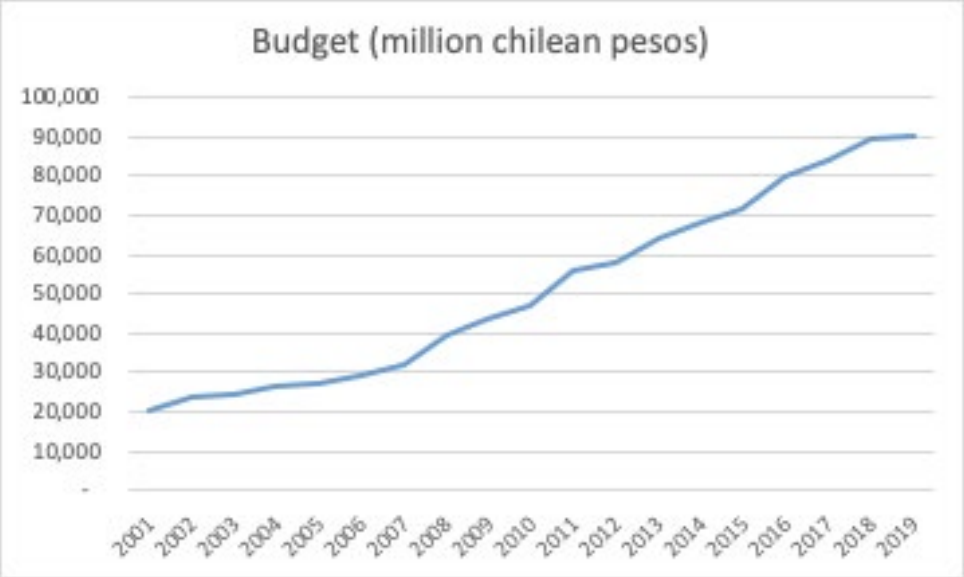
The NDA has led the definition and development of this proposal by providing feedback. In particular, the NDA has been involved in the definition of the institutional arrangements for the program execution and has provided technical recommendations through the convening of a Technical Advisory Panel (TAP) for the review of the draft proposal, as per their internal procedures to review proposals to be sent to the Green Climate Fund. After reviewing the proposal, the TAP recommended that the NDA issue the non-objection letter.

D.6. Efficiency and effectiveness

Describe the economic and, if appropriate, financial soundness of the programme.

The results reported by Chile are reflective of a first wave of implementation of policies, programmes and actions for the conservation and sustainable management of Native Forests. While important, these measures have been found still insufficient to address the challenges associated with conserving the entire native forests, and lessons have been learned and incorporated into the ENCCRV and the proposed programme under this proposal. It can be argued that the incentives generated by the Law have so far reached the easiest tranches of landowners and easiest conditions, but that further investments need to enable additional more-difficult-to-reach forest landowners to receive support. Actions to promote land-owner associations are an example of enabling actions to ensure that small property owners are also supported efficiently.

The effect of the new legal framework can also be seen in the increased budget of the CONAF, which has been increasing at a higher rate since 2008, the average budget between 2001 and 2007 was 26 million Chilean pesos, while for the period between 2009 and 2016, this average was 59 million Chilean pesos. As a very rough guide to the cost-effectiveness of the avoided emissions in Chile between 2014 and 2016, the average investment in CONAF (at national level) per ton reduced in the subnational areas covered by the FELS and the REDD+ Technical Annex amounts to some 16.25 US dollars per ton.



Chile expects to have access to 98 million, which will allow it to continue with the work that has been done since the formulation of the ENCCRV and to deepen its impact on the environment and society, as tools to stop or reduce the impacts of deforestation and degradation of natural resources. vegetation resources, together with the reduction of socio-environmental vulnerability in the face of climate change that affects the world.

For this purpose, the implementation costs that have been used correspond to reference values established in the environmental (forestry) regulations in force in Chile (Law No. 20.283 on Development and Recovery of the Native Forest and Forest Development, DL N ° 701 on Forest Development), while the calculations and estimates of the emission reductions emitted, were carried out with the reference levels (NREF / NRF) and the Technical Results Annex of REDD + reported by the country to the UNFCCC.

For efficiency and effectiveness in the use of resources, the country has an important presence in the territory at the regional and provincial level of CONAF, which allows a fluid and correct coordination and articulation for the development of activities / projects results of those of the action measures of the ENCCRV, whose objective is linked to the commitments adopted by the country in the NDC, on reducing vulnerability and mitigation associated with the reduction and capture of GHG by the Forestry sector. In addition, the project has the participation of FAO-Chile, as technical support for the fulfillment of these objectives.

To this is added that the country is developing two systems to have an accounting of emissions and a distribution of benefits. The registry system allows the accounting of the emissions traded and will avoid a double accounting of emission reductions; while the benefit distribution system follows the agreements and guidelines obtained in the phases of development and implementation of the ENCCRV and ensures a reinvestment and distribution in the regions and localities in a transparent and equitable manner.

E. Compliance with GCF policies

Describe how the REDD-plus results-based programme that generated the results submitted in this proposal or will be supported with the proceeds earned by them aligns with GCF policies for the activities that led to the achieved results and for the use of proceeds.

E.1. Environmental and social safeguards

E.1.1. For the period of the achieved results

Summarize the main findings of the environmental and social assessment (ESA) report describing the extent to which the measures undertaken to identify, assess, and manage environmental and social risks and impacts, in the context of the REDD-plus proposal, were consistent with the requirements of the applicable GCF ESS standards. This supplements information about the country's own assessment as to how the Cancun safeguards were addressed and respected in the REDD-plus activities.

The approach used for the Environmental Social Assessment (ESA) (See Annex 2) allowed for an analysis of how, during REDD+ readiness and initial implementation in Chile (i.e. during the time frame of the evaluation), key environmental, social, legal and public policy issues associated with deforestation and degradation were considered in the development of the national REDD + strategy. These issues have been confronted with FAO ESS, since FAO is a GCF accredited agency there is an equivalence in the approach and compliance with environmental and social safeguards (Performance Standards as per IFC/GCF). The table below extracted from the ESA presents the equivalence

Table of Safeguard Equivalence

IFC - Performance Standards	**FAO Environmental and Social Standards**
PS 1: Assessment and Management of environmental and social risks and impacts	ESS 1: Natural Resource Management ESS 8: Gender Equality
PS 2: Labor and Working conditions	ESS 7: Decent Work
PS 3: Resource efficiency and pollution prevention	ESS 5: Pests and pesticides management
PS 4: Community health, safety and security	ESS 7: Decent Work (partially)
PS 5: Land acquisition and involuntary resettlement	ESS 6: Involuntary Resettlement and Displacement
PS 6: Biodiversity conservation and sustainable management of living natural resources	ESS 2: Biodiversity, Ecosystems and Natural Habitats ESS 3: Plant genetic resources for food and agriculture ESS 4: Animal - Livestock and Aquatic - Genetic Resources for Food and Agriculture
PS 7: Indigenous Peoples	ESS 9: Indigenous Peoples and Cultural Heritage
PS 8: Cultural Heritage	

The ESA is also based on an ex post evaluation of the participatory process through which feedback from the different key actors was sought and integrated into the design and implementation of the national REDD+ strategy, and compliance of this process with FAO ESS.

Of note, potential social impacts of REDD + measures have been identified as posing a greater risk for conflict than potential environmental impacts, since avoiding forest degradation and promoting the conservation and sustainable management of forest resources may be in direct competition with other activities and needs of the communities and productive sectors of the country. Therefore, the ESA reviewed all of the safeguards with special emphasis on PS1 Risk Management, PS4 Communities, PS6 Biodiversity and PS7 Indigenous Peoples.

The ESA (presented as an annex to the proposal) contains, among others, the following aspects:

- Evaluation of the legal and institutional framework applicable to the activities related to the implementation of the REDD+ strategy embodied mainly in the activities leading to the design and implementation of the National Strategy for Climate Change and vegetation Resources
- Identification of the main stakeholders and a sound GRM
- Preparation of specific participation and consultation plans for indigenous peoples and peasant communities.
- Sustainable forest management and compliance with applicable national legislation
- Review of the different categories of natural areas in the area of influence
- Compliance with FAO ESS, Cancun safeguards and GCF/IFC Performance Standards at the subnational level (prioritized regions) and during the time frame of the evaluation period

E.1.2. For the use of proceeds

Provide adequate and sufficient information describing how environmental and social risks and impacts will be identified, screened, assessed and managed in a manner consistent with the GCF's ESS standards, including the determination of the relevant environmental and social risk category of the proposed activities and the appropriate environmental and social assessment tools and management plans.

The System of Safeguards of the Green Climate Fund (GCF) is based on the Performance Standards on Environmental and Social Sustainability (PS) of the International Financial Corporation of the World Bank Group. The social and environmental evaluation takes as a starting point the design and implementation of the REDD + policies in the period prior to the work of the FCPF of the WB, this is in the years 2014, 2015 and 2016.

The identification and evaluation of the main impacts is based on the cabinet study of the main documents associated with the REDD+ implementation process, the consultations with the parties involved, the applicable national legislation, and interviews with representatives of the government, civil society, indigenous peoples and NGOs

The preliminary environmental and social risk rating of the evaluation in line with the GCF categories is category B; However, a more detailed review of the process in line with the GCF safeguards is still pending in order to have greater support in the appreciation of the category and the possible social and environmental impacts expected.

The proposal includes a detailed Environmental and Social Management Framework (ESMF) (See Annex3) providing information on how the environmental and social risks identified will be addressed in consistency with FAO ESS and GCF/IFC Performance Standards. The purpose of the FAO ESMF is to ensure that environmental and social management is integrated into the development cycle. Nevertheless, since exact sub-projects are not determined at the onset of project, the ESMF is a living document that needs to be updated during project implementation based on potential new risks and impacts. Thus, the ESMF is intended to serve as a practical tool to guide identification and mitigation of potential negative environmental and social impacts of proposed investments and serve as a platform for consultations with stakeholders and potential project beneficiaries.

The preliminary environmental and social risk rating of the evaluation in line with the GCF categories for the proposed Results Based Payment in the so-called South Zone (regions from Maule to Los Lagos) during years 2014 - 2016 is Moderate. However, a more detailed review of the process in line with the GCF safeguards needs to be done during the implementation phase in order to have greater support in the appreciation of the category and the possible social and environmental impacts expected

According to FAO Environmental and Social Management Guidelines screening to identify specific environmental and social risks at the project level is the process of identifying and classifying E&S risks associated with individual projects. For each project, at project identification stage, FAO uses its own Environmental and Social Screening Checklist that has a number of questions intended to guide the user in classifying the project risk. Based on the project activities and on the nature and significance of potential environmental and social impacts, three categories for field projects are given: low, moderate, and high.

In the context of the mandatory requirements for managing environmental and social performance of FAO projects throughout the life of a project and optimizing sustainability and equity post project; and based on the project activities and on the nature and significance of potential environmental and social impacts, the proposed project is classified as Moderate.

FAO classifies projects with Moderate Risk:

- Projects with identified potential adverse environmental and /or social impacts.
- Potential impacts are not unprecedented in the project area.
- Potential impacts are limited to the project's footprint.
- Potential impacts are neither irreversible nor cumulative.
- Potential adverse impacts can be addressed by the use of recognized good management or pollution abatement practices, and there is a demonstrated record of their successful use in the project area (upstream and downstream).

The level of risk may not always be immediately apparent or may change during project preparation when projects sites are being identified. Projects therefore need to be systematically screened during identification and preparation and systematically monitored during implementation in order to identify indirect, cumulative and associated impacts, as relevant.

E.1.3. Consultations with stakeholders

Provide adequate and sufficient information on the consultations undertaken with all the relevant stakeholders, describing who are the identified stakeholders, what the issues and concerns raised and how these are responded to and considered in the proposed activities. Information on the stakeholder engagement plan or framework will also need to be provided, describing how the activities will continue to engage the stakeholders, further consultations, communication and outreach, and process for grievance redress.

Between 27 June and 11 July 2019, Information and Participatory Workshops were held within the framework of the application to the Green Climate Fund. The date and city where each of the workshops were held were as follows:

- June 27, Temuco, Araucanía region.
- July 2, Puerto Montt, Los Lagos region.
- July 4, Valdivia, Los Ríos region
- July 9, Concepción, Biobío region
- July 11, Talca, Maule region

The objective of the workshops was to inform and receive feedback of the relevant actors regarding the mechanisms and criteria for the equitable, transparent and efficient distribution of the resources obtained in the Payment for Results phase. The workshops also served to identify the risks and potential impacts associated with the implementation of the activities to be financed through the resources obtained by this project.

The workshops were part of the participatory processes that the ENCCRV contemplated since its formulation, allowing all interested parties, especially vulnerable actors, to be informed and consulted. In this case, through the development of this process, we sought to strengthen the design, strategic decisions and benefit distribution arrangements in the payment for results phase, thus ensuring the environmental and social sustainability of the initiative.

A core team was formed for the planning and development of the workshops, composed of professionals from the Climate Change and Environmental Services Unit of CONAF's Central Offices, Indigenous and Social Affairs Unit, Climate Change coordinators of the five regions contemplated in the project (Maule, Biobío, Araucanía, Los Ríos and Los Lagos) and regional support professionals.

The methodology used in each workshop was based on the guidelines established in the Plan for the Implementation of Social and Environmental Safeguards of Public and Indigenous Consultation and Self-Assessment, of the ENCCRV, a guide document for the participatory process in the preparation phase of the ENCCRV. In this context, the stages contemplated in the development of the workshops were the following:

1. Criteria for stakeholder selection

The groups convened for the development of these workshops were:

a) Indigenous peoples
b) Academia
c) Government Sector (Other than CONAF)
d) Forest Consultants / Extensionists
e) Non-Governmental Organizations (NGOs)
f) Women's Organizations
g) Private Sector
h) Small and Medium forest landowners
i) Indigenous women, small and medium-sized forest landowners, and

j) Regional CONAF staff.

The criteria used to develop the regional actors map included:

Ideally, the Actors Map should be made up of those who have already participated in the ENCCRV formulation process. This consideration responds to several objectives, on the one hand, it ensures the coherence of the process and allows an operational continuity, since these are people who are already aware of the issues that will be addressed, it ensures that they are people who know the initiative. In addition, it will be possible to identify how those considerations that arose during the previous process were embodied in the action measures of the ENCCRV, and finally, it complies with the commitment established during the formulation, regarding considering participation also in the implementation phase of the ENCCRV

Participation of women: for each sector identified, a minimum participation of 30% of women was established. In this way, it is also ensured that the minimum participation of women on the day of the workshop is at least 30%.

The conformation of the Map of Actors must also consider local, sub regional and regional geographical representation, since, due to their scope of action, the former tends to make operational proposals, the sub regional strategic type and the latter has a more political vision.

A participation between 30 and 40 people per workshop was defined. This number is agreed to facilitate the instances of discussion and analysis in focus groups.

2. Focus group settings

According to the map of actors in each region, the configuration of the focus groups was established considering that each of them was representative of a sector of the population/society. Each group consists of 5 to 8 people according to the number of attendees and focus groups represented. According to the attendance in each of the workshops, the formation of specific focus groups of Indigenous Peoples and women were considered.

3. Workshop development

The planning and development team developed a topic for the workshops, defining the context information (national and regional), the contents that would be subject to discussion and the participatory activities through which the feedback on the design and implementation of the Benefit Distribution System in the ENCCRV payment for results phase would be received.

In this context, participatory activities were carried out that allowed to gather the view of the attendees regarding the causes of degradation, deforestation and non-increase of forest cover in their region (prioritizing, from the local / regional point of view those that are already defined in the ENCCRV) and direct action measures (prioritizing those that would allow addressing the causes mentioned above). We also consulted on aspects related to governance, benefit distribution of financing and potential risks in the implementation of activities in the territory.

4. Preliminary results

A total of 157 people, 64 women (41%) and 54 representatives of indigenous peoples (29%) participated in the 5 workshops. In this case, it should be noted that the Maule region does not register indigenous communities or associations in its territory.

The invitations, based on the map of actors made in each region, in general met the proposed objectives in terms of participation recording, on average, an attendance of 30 people. This allowed the creation of between 4 to 5 focus groups at each workshop, among which are: (1) small owners and / or indigenous peoples; (2) forestry extension consultants; (3) academic-public institutions; (4) NGOs and private.

Regarding participatory activities, forest fires were highlighted as one of the main causes of deforestation, degradation and non-increase in forest cover. However, the action measure that was prioritized by the actors

was the Forestation and Revegetation Program, followed by the Restoration Program.
Regarding governance structures, in general, the role of CONAF as a coordinating body for processes related to climate change was supported, and the participation of other representative bodies of the public area (services and institutions related to the forest / environmental sector, were highlighted), academy, of civil society (NGOs, municipalities, indigenous communities and other social organizations) and the private sector (forestry companies).

Regarding the potential risks and impacts identified in the implementation of activities, it is possible to detect in the first instance, that risks related to governance are identified (bureaucracy in the processes of distribution of resources, lack of technical capacity, poor planning of activities, inadequate monitoring and lack of continuity of the actions to be implemented), environmental (low availability of seeds and plants, use of unsuitable species for certain sectors) and social (not considering the participation of neighboring, indigenous, local and / or women, labor shortage).

With the information collected, inputs will be generated that will strengthen the design, decisions and distribution of the funds that will be obtained in the payment phase for results of the ENCCRV.

E.2. Risk assessment

E.2.1. For the period of the achieved results

Provide adequate and sufficient information that allows for an assessment of the historical performance of the activities undertaken and their track record against the risk tolerance levels specified in the Risk Appetite Statement and the criteria outlined in the Risk Guidelines for Funding Proposals.
Please note that you should consider only the applicable and relevant parts of the two above documents to the feedback you provide.

It was applied the FAO's corporate Environmental and Social Guidelines that detail the mandatory requirements for managing environmental and social performance of FAO field programmes, projects and sub-projects throughout the life of a project at field programme and project level and optimizing sustainability and equity post project.

The FAO ESS checklist was used in the analysis (see Annex C in Annex 2). The approach was to look for the indirect impacts of policies, strategies and legislation undertook in the pass. Once the analysis of the risks and impacts was made, it was assessed that the safeguards have been complied with during the implementation of these policies, strategies etc.

- The ESA concludes that there is strong confidence and substantiation in the assessment of the consistency with the GCF REDD+ RBP pilot program requirements. The ESA presented concrete evidence focused in policies laws and regulations existing at the moment of the evaluation and during the time frame and regions included in the proposal. Each FAO ESS as well as each of the Cancun Safeguards presented national and international regulations applicable for the activities performed during the implementation period of the ENCCRV.
- The ESA not only found information that pointed out in that direction but also find out that in many cases the participation of stakeholders was proactive and transcended to participation improving the ownership of the decision agreed.
- Prior to the implementation of REDD-plus related activities in Chile, the country had already its own Grievance and Redress Mechanism in place and the ESA included information about the OIRS, acronym of "Office of information, claims and suggestions".
- The analysis of the pilot project demonstrated that overall, were implemented within legal and policy framework that provided an enabling environment for achieving consistency with the FAO ESS and in practice, the pilot projects were implemented with alignment with the FAO ESS.

As per the National REDD+ Focal Point, the design and implementation of the National Strategy for Climate Change and Vegetation Resources (ENCCRV, acronym in Spanish) leading by the application of measures set for in the policies and regulations defined at national level explain the results achieved between 2014 and 2016. At the subnational level, with each of the FAO safeguards, the risk assessment was considered low.

With regard Chile's governance structure, low risk is also addressed by national laws and by the ratification of international instruments, such as the United Nations Convention against Corruption (UNCAC) on 13 September 2006, the Inter-American Convention against Corruption of the American States on 22 September 1998. At national level, the Political Constitution of the Republic of Chile (1980), Law No. 20.285/2008, the Council for Transparency, and Law No. 19,886/2004 are the most relevant instruments aiming to enact transparency measures in the country. To ensure the effectiveness of forest and environmental governance structures, reference is made to Law No. 18.575/1996 and Law 19.880/2003. Detailed information concerning the national and international regulations ratified by Chile can be found in the Safeguards Summary of Information.

Achievement of target impact through the application of several policies, particularly the policy instruments established through the legislation on native forests, Chile was able to generate the results presented under this proposal between 2014-2016, which contributes to the GCF's mitigation objectives at global scale.

In general, terms, when risks are identified, the actions that led to the mitigation results that Chile is presenting were fully anchored into the national policy and regulatory framework.

E.2.2. For the use of proceeds

Provide adequate and sufficient information that details how the plan for the use of proceeds does not violate the risk tolerance levels specified in the Risk Appetite Statement and allows for performance monitoring and evaluation against the criteria outlined in the Risk Guidelines for Funding Proposals.
Please note that you should consider only the applicable and relevant parts of the two above documents to the feedback you provide.

Risk factors associated with project implementation include mainly technical and operational, institutional, political, and social and environmental aspects (Environmental and Social assessment).

- The risks related to technical and operational capacities may impact the collection and dissemination of climate information; as well as the collection of local data necessary for monitoring and reporting. The limited availability of qualified staff could delay implementation of project activities; and the change of staff and key personnel in implementing agencies and government departments could impact the pace of project implementation.
- An institutional risk is limited to the coordination among agencies and stakeholders that could lead to inefficiencies in the implementation and impact of the project. Additionally, regional and local governments may lack the capacity to understand and support the project, limiting the needed support to encourage small farmer participation.
- Risks related to limited interest or capacities of family farmer beneficiaries can limit the adoption of technologies and sustainable practices.
- A political risk is a potential change in government at the national and local levels leading to a lack of support for project activities.
- Social and environmental risks include social violence in the project areas.
- Extreme weather events and climate shocks can negatively impact small farmers' investments and forest production.

The proposed project includes several mitigation measures to address these risks. The mitigation strategies include training and capacity building, awareness raising of key stakeholders including government officials, clear agreements with and between the executing entities, the design of efficient data collection tools, violence prevention training, and farm plans and provision of climate information to help farmers prepare for climate shocks. (More detailed risk assessment in Annex 3, Table 26. Risk matrix and mitigation measures)

Most high risk- factors and relevant risk mitigation measures from risk matrix related to implementation of activity -"Execution of projects in the territory" are the following:

Under Risk Factor A (Insufficient or non-sustained support from stakeholders), specifically on conflicts over land. It has been stated that "…problems between the Mapuche people and the Chilean state are considered a "severe obstacle" to the implementation of REDD+ activities", and that "…Mapuche wish to reclaim their ancestral land, which is primarily located in the subnational area of the ER Programme". Moreover, it is

stated that "…in order to avoid setting up REDD+ activities in disputed territories, it will be necessary to evaluate the risk of conflict posed by each proposal and that due to the nature of the Mapuche conflict, it will not be feasible to identify and avoid problematic areas in advance".

The risk is not considered high, since an evaluation of the risks associated with land tenure was carried out during 2017 (https://www.enccrv.cl/informative-note-10), showing that there is a total area of 1,438,011 hectares that are regularly owned by indigenous communities in the program area, in which activities of the ENCCRV could be implemented if there is an interest of the owners, and the latter has been continuously shown in several participative preparatory workshops

Both the CONADI Land and Water Fund and the INDAP Land Tenure Consolidation Program support the regularization of the land tenure titles for the interested users. Those programs can be linked with the people interested in participating in the Benefits Distribution System that will be applied, which further reduces the risks associated with land tenure.

Under Risk Factor B (Lack of institutional capacity and / or ineffective vertical / cross-sector coordination): The level of risk has been set as Low (0%).

CONAF has significant experience in forestry extension programs, addressing territorial management with small forest owners and indigenous communities. This experience has been developed through the development instruments that CONAF has historically managed. Therefore, in the Benefits Distribution System, it is expected that CONAF will maintain and strengthen the technical assistance with interested parties and thereby, avoid risks associated to the vertical coordination of the actions to be carried out.

Under Risk Factor C (Lack of long-term effectiveness in confronting underlying factors): the information contained in this section refers to the status of projects and programmes back in 2016, when the ERPD was submitted. However, it is now possible to see the effects of such initiatives (e.g. the projects on firewood at jurisdictional level and through implementation of ENCCRV).

Currently this risk has been reduced, since Chile went through a change of government and the present government has demonstrated an increased ambition associated with mitigation activities in line with its carbon-neutrality target by 2050, where forests represent a relevant sector on these efforts. Work is being done on obtaining new resources linked to REDD+ results-based payments, but also work is being done on a new law on forest development, and modifications to the regulation of the law of recovery of the native forest, which seeks to increase actions on management and increase of forest vegetation resources.

Under Risk Factor D (exposure and vulnerability to natural disturbances). The medium level of risk is justified, since, despite the exceptional events that occurred in 2017, where 42,482 hectares of native forest were burned during the firestorm, mitigation measures have been identified for this risk. Firstly, developing prevention campaigns, secondly, modifying the regulations associated with the use of fire and finally, improving the actions for firefighting.

E.3. Gender considerations

E.3.1. For the period of the achieved results

Provide adequate and sufficient information in the assessment describing the extent to which the measures undertaken complied with the GCF gender policy.

Chile has made great legislative advances towards equality and social inclusion. The international-level instruments with the highest relevance and which have applicability in the country are the Convention on the Elimination of all forms of discrimination against women (CEDAW) ratified by Chile on 7 December 1989, the Programme of Action of the International Conference on Population and Development (1994), the Beijing Declaration and Platform for Action (1995) and the "UN General Assembly Resolution" of 2011, on women's political participation, which reinforces that "the active participation of women, on equal conditions than men, in all levels of decision-making is essential for achieving equality, sustainable development, peace and democracy. The country has also ratified and/or signed many key international conventions and treaties on gender equality, women 's empowerment and human rights.

At the national level, the State Constitution of Chile includes the principle of gender equality in its article 19,

number 2, which states "Equality before the Law (...) men and women are equal before the law", (National Congress, 1980). Additionally, Law No. 20,609/2012, establishes measures against discrimination and in its in Article no.1 states that every State administration-body, within their field of competition, will be responsible for creating and implementing policies destined to guarantee every individual, without arbitrary discrimination, the enjoyment and exercise of their legitimate rights and freedoms recognized by the Political Constitution of the Republic, and international laws and treaties ratified by Chile which are currently in force" (National Congress, 2014).

That called for a new institutional framework for gender matters to bridge any persisting gaps, improve legislation and propose further measures to speed up the achievement of substantive equality in all areas covered by the Convention (CEDAW, 2016). Against that backdrop, Act No. 20.820, creating the Ministry for Women and Gender Equity and amending legal provisions specified in the Act, was promulgated on 20 March 2015 (CEDAW, 2016). Law No. 20,280/2015, establishes in its article No.1, the Ministry's responsibilities for collaborating with the President of the Republic in the design, coordination and assessment of policies, plans and programs destined to "promote gender equality, equality of rights and ensure the removal of all types of arbitrary discrimination against women". Likewise, this law provides a definition of gender equality, stating that "gender equality considers the identical or differential treatment between men and women and results in a total absence of any mean of arbitrary discrimination against women for being such, with regard to the ability of enjoyment and exercise of all their human rights" (National Congress, 2015).

Over the last few years, Chile has made good strides in promoting gender equality. According to the ranking of the Global Gender Gap of the World Economic Forum for the year 2018, Chile has an index core of 0,717, ranking it 54 out of 149 countries (World Economic Forum, 2018).[1] The country has taken concrete actions to promote and integrate gender equality into the broader policy-making agenda of the " Sustainable Development Goals" and the commitments of the Regional Conference on Women in Latin America and the Caribbean. Some of those actions have meant progress in the situation or status of women, while others have revealed the persistence of discrimination and of obstacles to full equality of opportunity between men and women in the country. Additionally, the progress that has been made often hides geographic differences in different dimensions of gender equality.

Specifically, with regards to gender in the National REDD+ Strategy and its implementation, a central axis of the ENCCRV is mainstreaming the gender approach in all its phases: preparation, implementation and payment for results, in constant feedback from the continuous strengthening of the initiative (UCSSA, 2016). The objective of this approach is to address the necessary broad and equal inclusion interests, needs and proposals of women, thus assuring that benefits arising from implementation of the strategy are equitable between men and women (ENCCRV, 2017). Additionally, the gender mainstreaming strategy of the ENCCRV integrates a methodological perspective based on interculturality principles proposed by the UN "Guide for the Evaluation of Programs and Projects with a Gender Perspective, Human Rights and Interculturality", which contains guidelines to evaluate this process in the different phases of the ENCCRV (UCCSA, 2016).

A Plan for the Implementation of Social and Environmental Safeguards for Public and Indigenous Consultation was prepared and guided the entire participatory formulation process of the ENCCRV, between 2015 and 2016. The Plan included the organization of regional workshops and a national workshop, ensuring local, regional and national representation, considering a multi-stakeholder, multi-sector and multi-stakeholder approach and including the mainstreaming of the gender approach and pluricultural participation. Further, in the context of the Safeguards Plan and SESA, between 2013 and 2016, 15 regional workshops were held, involving 1,266 people, 36.4% of which were women and 9% indigenous peoples. In addition, a national workshop involved 125 people, 31% of which were women and 8% indigenous peoples. In these workshops, the gender approach was manifested from the gathering of information through the identification of key actors; formation of focus groups, determining a minimum percentage of participation of 30% women and when appropriate, specific focus groups for women were formed (additional information can be found in Information Note N ° 8, on Mainstreaming the gender approach in the ENCCRV at https://redd.unfccc.int/uploads/4833_23_nota_informativa_8_pc_ingles.pdf).

Further, effective incorporation of women in the actions of the ENCCRV will be monitored through specific indicators included in the Safeguards Information System with the purpose of ensuring that these are not left out of the benefits they generate with the different measures of action, since it is essential that this initiative does not replicate, deepen or create new forms of discrimination against women.

[1] In 2006 Chile had an index core of 0,645, ranking it 78. World Economic Forum (2018), Global Gender Gap Report 2018, Geneva, World

Economic Forum.

E.3.2. For the use of proceeds

Provide adequate and sufficient information on how the AE will undertake activity-level gender assessments and action plans once the details of the activities become known.

Chile has made progress in recent years in integrating gender perspectives and awareness into forest policies and ENCCRV strategies. Guidelines for REDD+ safeguards are available, and the national REDD+ strategy includes several references to gender/women, which reflects the increasing awareness and commitment to integrate gender into REDD+ policies and implementation.

In Chile, the progress of mainstreaming gender into the ENCCRV has been based on a widespread participative process that included proposals of all sectors of society, focusing on women, indigenous peoples, and vulnerable communities (formulation and validation stage of the ENCCRV and its SESA). The national-level territorial coverage, the total of key stakeholders engaged, the methodology used, the characteristics of the implementation of the participatory process, the mainstreaming of the gender approach and cultural relevance: all of these are unprecedented measures for the formulation of public policies that seek to represent the country's territorial vision with regard to forests and vegetation resources.

Through this participative process, gender considerations and women's and indigenous peoples demands, regarding the causes of degradation and deforestation, were integrated into the ENCCRV's design and action measures. They contributed to identify the target groups of the ENCCRV: vulnerable groups in rural areas of the country, indigenous and non-indigenous rural communities, indigenous woman, small and medium-sized forest landowners, among other stakeholders. The participative process was used for defining the benefits likely to be generated with the implementation of the activities contemplated within the ENCCRV.

The Gender Action Plan aims to support the effective participation of women within the ENCCRV's implementation and empower women through recognition, assimilation, capacity-building and leadership for ensuring gender consideration into REDD+ actions. In the gender action plan, the monitoring of all activities implemented by the ENCCRV will consider a general indicator related to the percentage of women's participation. Other gender indicators have also been defined with regard to the ENCCRV action measures that include education/training and audit activities; and the action measures related to afforestation, restoration, soil management and preventive forestry activities, which will be implemented directly in the territory. The indicators are related to the integration of the gender approach in all the cycle planning of ENCCRV projects (gender-sensitive programming, gender responsive project results framework). (See Annex 4 and Annex 5)

E.4. Interim policy on prohibited practices

E.4.1. For the period of the achieved results

Provide appropriate and sufficient information to demonstrate that no Prohibited Practices occurred during the implementation of the activities that lead to the REDD-plus results, such as: undisclosed Prohibited Practices, including money laundering and the financing of terrorism, which occurred during the implementation of results-based actions; and double payment or financing for the same results achieved.

The Chilean Financial Intelligence Unit (*Unidad de Análisis Financiero – "UAF"*), was created by Act. No.19.913. The UAF is an independent, public legal person, with its own patrimony and related to the Chilean Government through the Public Treasury Secretary (*Ministerio de Hacienda*). The UAF is chaired by a National Director, who is appointed by the President of the Nation. The UAF is a member of the Egmont Group.

The UAF has the duty of requesting, receiving, analyzing and forwarding to the competent criminal prosecution authorities any financial information that arouses suspicions of money laundering activities. It has no jurisdiction regarding the prevention and investigation of terrorism financing. The UAF can also provide information directly to the courts that are dealing with asset laundering cases.

Article 3 of Act No. 19,913 imposes a duty for all covered subjects -- including banks, stock exchanges, casinos, realtors, among many other businesses -- to appoint an official or compliance officer responsible for relations

with the Financial Intelligence Unit. The role of the compliance officer is to monitor the implementation of existing national rules on the issues of money laundering and terrorist financing.

No payment for results has been received by Chile, and thus no double payment for the same result achieved has occurred.

E.4.2. For the use of proceeds

Provide appropriate and sufficient information including on control measures that assures that the proceeds will be used in a manner compliant with the Interim Policy on Prohibited Practices, such as: undisclosed Prohibited Practices, including money laundering and the financing of terrorism; improper subsequent use of GCF proceeds in the Prohibited Practices; and double payment or financing for the same results achieved, etc.

As per article 9.03 par. (a), of the Accreditation Master Agreement between FAO and GCF, FAO will apply its own fiduciary principles and standards relating to any 'know your customer' checks, anti-corruption, AML/CFT, fraud, financial sanctions and embargoes to comply with the Policy on Prohibited Practices.

E.5. Indigenous peoples

Provide adequate and sufficient information on how the activities to be implemented with the use of proceeds, will meet the requirements of the GCF environmental and social safeguards standards and policies relevant to indigenous peoples and guided by the prevailing relevant national laws and/or obligations of the countries directly applicable to the activities under relevant international treaties and agreements.

The use of proceeds will be in line with the FAO Policy on Indigenous and Tribal Peoples and the FAO Environmental and Social Management Guidelines, in particular subject to FAO Environmental and Social Safeguard 9 (ESS 9) on Indigenous Peoples and Cultural heritage as indicated in the ESMF. As presented in the table in section E. 1. 1 there is a correspondence between FAO ESS and GCF/IFC Performance Standards given FAO accreditation with the GCF. Hence, ESS 9: Indigenous Peoples and Cultural Heritage ensures the approach, respect and compliance of activities funded with the proceeds with national and international policies laws and regulations applicable as well as with the FAO own standards.

The ESMF guarantees that:

- The UN Declaration on the Rights of Indigenous Peoples is respected in all FAO's projects and programmes;
- Promote the right to self-determination and development with identity of indigenous peoples (right to decide the kind of development that takes place among their people and on their lands and territories, in accordance with their own priorities and conceptions of well-being);
- Ensures the application of the principle of Free, Prior and Informed Consent (FPIC) of indigenous peoples affected by the project.
- Recognize, respect and preserve the rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems of Indigenous Peoples;
- Protect cultural heritage and avoid its alteration, damage or removal.

ESS 9 recognizes indigenous peoples' traditions and knowledge present opportunities for many of the challenges that humankind will face in the coming decades. This is of particular significance in relation to indigenous food systems in the face of increasing food demand and traditional knowledge with respect to adapting to climate change vulnerabilities and impacts.

Indigenous peoples are an important stakeholder in the regions from Maule to Los Lagos, yet they share a higher that average population poverty rates. An agenda that pursues global food security, sustainable natural resources management and poverty alleviation is incomplete unless it addresses indigenous peoples' needs. For this reason, FAO approved in 2010 its Policy on Indigenous and Tribal Peoples, which is based on international legal agreements, such as the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), adopted by the General Assembly in 2007, and ILO Convention 169. The FAO Policy on Indigenous Peoples underpins ESS 9 and provides the ESMF guidance to respect, include and promote indigenous peoples' issues in

Chile.

E.6. Monitoring and evaluation

Provide information on the monitoring arrangements that will take place for providing annual monitoring reports based on the information provided for the use of proceeds in sections C.2.3 and C.2.4.

The execution of the projects in the territory' will be monitored using the procedures described in the Measurement and Monitoring System (MMS) document of the ENCCRV[33]. Following the procedures of the MMS, each project will have a baseline and the capture of CO2 will be estimated according to the nature of the activities and reported on a biennial basis. These measurements and calculations are going to be included in the Platform for the Management of Information of the ENCCRV, which is being developed by the Center of Information of Natural Resources, CIREN and is expected to be fully functional by 2020.

Using the protocol of monitoring of the abovementioned MMS document, each project will have monitoring milestones that will include, among other variables, the type of forest that is being planted or managed, the number of trees per hectare, the basal area, number of species. With this information, it will be possible to calculate and monitor the Emission Reductions generated by the projects financed by the GFC and the indicators of the goals of the ENCCRV. This information will be complemented by georeferenced digital cartographies that also have a protocol defined in the MMS documents.

The measurement in the field will be carried out by the CONAF's regional offices. The gathered information will be introduced to the Platform of the ENCCRV or delivered to the MRV team in the central CONAF office in Santiago. Once the information of the projects is collected, the MRV team will develop a monitoring report of the performance of the projects. The time frame of the monitoring will be from 2020 to 2030, with biennial reports to show partial results.

This system will work as a component of the REDD+ monitoring scheme. Efforts to nest both systems will be done once a major amount of data is gathered.

Project-level monitoring and evaluation will be undertaken in compliance with FAO policies. The project inception phase will include the formulation of a Theory of Change describing the causal relationship between outcomes that culminates with achieving the desired change and the underlying assumptions about how change will happen. FAO will ensure the existence of a well-designed, operational and effective impact monitoring and measurement system to measure the causal and attributable change, the contribution and the overall causal results of the project. The monitoring system should be designed to understand efficacy, targeting and verifying the assumptions that the program is making. It should also be used to generate information, data and lessons that can feed back into the project implementation and planning components. Progress will be measured against baselines, targets and indicators.

The essential indicators that will be monitored correspond to the ones that allows the reporting of the goals of the ENCCRV. In the case of the afforestation and revegetation (MT4), ecological restoration (MT5), restoration after forest fires (IF2), preventive forestry (IF3), forest management (US1), and wood energy (US3) programs, the main indicator will be the number of hectares that is directly influenced by each action measure, with the goal of reaching the outcomes described in section 3.2.2. Additionally, the activities that can generate emission reductions will be monitored with the guides provided in the annex of the abovementioned MMS document. Monitoring indicators such as the number of trees per hectares and basal area (among others) will allow Chile to estimate the amount of ER generated.

For the action measures that are related to enabling conditions for the ENCCRV implementation, the indicator that will be reported for the environmental education and dissemination program (MT6) will be the number of reached persons. For the program of strengthening of forest and environmental enforcement (MT7), for the Technological transfer of alternative management and use of silvoagricultural waste (IF6) as well as for the Adaptation programme for the technological transfer of management of vegetation resources (GA1), the indicators will be the number of communes where the program is implemented.

At the project level impact, two indicators are proposed in line with GCF investment criteria (impact potential):

33 https://www.enccrv.cl/smm

1) Total number of direct and indirect beneficiaries; and 2) Tonnes of carbon dioxide equivalent (t CO2eq) reduced. The monitoring and reporting plan, including the dates and periods of monitoring will be provided to the Secretariat with the implementation plan.

FAO will perform monitoring and reporting throughout the reporting period. FAO has a country presence and capacity to perform these tasks. FAO will implement tools and methods to facilitate monitoring of the project. The methods will support vertical monitoring, from the beneficiaries to management, and will facilitate comparative and standardized monitoring. The PMU will use the tools including workplans platform to monitor activities and develop reports to the Steering Committee that combining financial reporting and progress toward achieving results set out in the Performance Management Framework.

The monitoring system will be comprehensive and entail the Project workplan as well as the action plans for gender, indigenous people, biodiversity and the social and environmental framework.

The day-to-day project monitoring and implementation responsibility rests on a national recruited Project Manager that will lead the PMU. S/he will be supported by a monitoring and evaluation specialist, who will lead the PMU's Monitoring and Evaluation Unit. The M&E Specialist will coordinate the annual work plans to ensure the efficient implementation of the project. The PM will inform the PB and FAO Country Office of any delays or difficulties during implementation, including M&E plan, so that appropriate and corrective measures can be adopted. The PM will ensure that all project staff maintain a high level of transparency, responsibility and accountability in monitoring and reporting project results. FAO will support the PM as needed, including through annual monitoring missions. Additional M&E and implementation quality assurance and troubleshooting support will be provided by FAO as needed. The CTICC, COSOC, Regional REDD+ Group, the CORECC, project beneficiaries and stakeholders will be involved as much as possible in project-level M&E.

A project inception workshop will be implemented in order to: a) agree on the project theory of change a) build a common understanding on the project strategy and discuss any change in the overall context that might influence implementation; b) discuss the roles and responsibilities of the project team and Steering Committee, including reporting and communication lines; c) review the results framework and discussion, reporting, monitoring and evaluation roles and responsibilities, and to finalize the M&E plans; d) review financial reporting requirements; and e) planning and scheduling ESC meetings; and f) finalize the first year work plan. The final Inception Report will be approved by the Steering Committee and FAO.

The PM and FAO will provide inputs to the Annual Report for each year of implementation. The PM and the M&E Specialist will ensure that the indicators in the results framework are monitored annually. The Annual Reports will be shared with the Steering Committee and other stakeholders. The annual performance reports will be due to GCF 60 days after the end of calendar year. The final project annual report and the terminal evaluation report will serve as the final project report package. Mid-term and final evaluations will be undertaken under the responsibility of FAO Office of Evaluation (OED)[1].

In summary, monitoring and evaluation at the project level will be carried out in accordance with FAO's corporate systems and the evaluation will be undertaken according to the FAO evaluation policy across the project life cycle. The Project Cycle establishes institutional standards and procedures for project management, improving accountability and quality through the principles of results-based management (RBM), while improving the strategic focus of all FAO projects. The following diagram summarizes the FAO's quality assurance cycle:

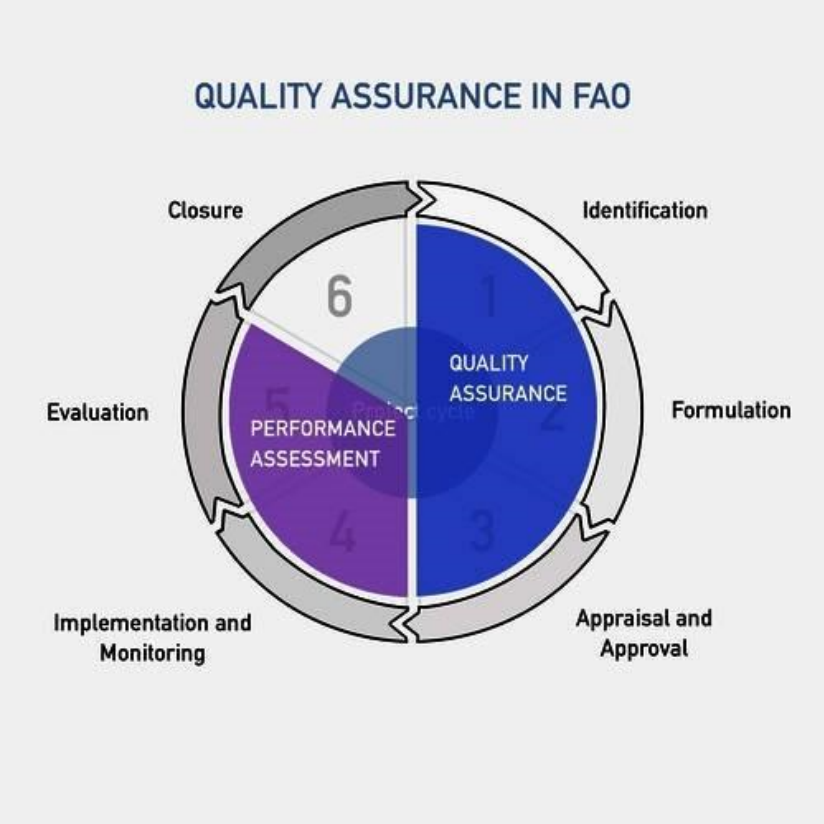


Figure 8. QA in FAO

The Project Cycle sets corporate standards and procedures, including quality assurance criteria for phases 1 to 3 of all FAO´s projects. These criteria are relevance, feasibility and sustainability which are complemented with the performance assessment during the implementation of the project (Initial Installation, Annual Project Report, Mid-term and Final Evaluation).

The project team and the FAO Country Office will carry out the M&E Plan in accordance with FAO procedures. Performance indicators for project implementation are presented in section C.2. The project document within FPMIS will also include additional information, such as the corresponding means of verification. The M&E plan includes: an initial report, annual reports to the GCF, project implementation reviews, a mid-term and a final evaluation. This information will be available online.

The following sections describe the main elements of this plan. The project M&E plan will be presented and finalized after an adjustment of the indicators, means of verification, and a full definition of the M&E responsibilities of the project staff.

Initial installation

The Project Inception Workshop will be held within the first 3 months of project start, involving those with assigned roles in the project organization structure, FAO Country Office and, where appropriate/feasible, FAO regional technical policy and technical advisors as well as key stakeholders. The Inception Workshop is crucial to building ownership of the project results and to plan the first-year annual work plan. The Inception Workshop will address several key issues including:

- To assist all partners to fully understand and take ownership of the project.
- To detail the roles, support services and complementary responsibilities of FAO Country Office and Regional staff vis à vis the project team.
- Discussion on the roles, functions and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms.
- Based on the project results framework, finalization of the first annual work plan. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.

- Provision of a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The M&E work plan and budget will be agreed and scheduled.
- Discussion of financial reporting procedures and obligations, and arrangements for annual audit.
- Planning and scheduling of project Board meetings. Roles and responsibilities of all project organization structures will be clarified, and meetings planned. The first project Board meeting will be held within the first 12 months following the inception workshop.
- An Inception Workshop Report will be a key reference document and will be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

Annual Project Report

This important report is prepared by the Project Technical Advisors, consolidated by the Project Manager, reviewed by the Intra-ministerial Technical Committee on Climate Change and final approved by the Project Board to monitor progress made since project start and for the previous reporting period.

The format and content of the annual report will be adjusted based on the simplified reporting regime which will be established for RBP by the GCF.

Mid-term evaluation (MTE)

The project will undergo an independent mid-term evaluation at the mid-point of project implementation. The mid-term evaluation will determine progress towards the achievement of outcomes and will suggest corrective actions if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management.

Final Evaluation

An independent Final Evaluation will be launched within six months prior to project's actual completion date, NTE. It will aim at identifying project outcomes, their sustainability and actual or potential impacts, including *inter alia* global environmental benefits. It will also have the purpose of indicating future actions needed to assure continuity of the process developed through the project.

Both mid-term and final evaluation will be managed by FAO Office of Evaluation (OED) and organized in coordination with the FAO Regional Technical Advisor and the Project Board.

During the final three months, the project team will prepare the Project Terminal Report. This comprehensive report will be made available to the public through the CONAF web site. It will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results

[1] Please refer to FAO OED webpage for further details: http://www.fao.org/about/who-weare/departments/office-of-evaluation/en/

F. Legal arrangements

F.1. Legal title to REDD-plus results

- *Provide an analysis with respect to legal title to REDD-plus results in the country. This should include an analysis of entitlement to claim for the results to be paid for by the GCF.*

- *Covenant that no other party has a competing claim to the results proposed to the GCF in accordance with national policy, legal or regulatory frameworks.*

A national legal definition of emissions reduction titling is not considered to be a precondition to accessing results-based payments under the GCF, nor it is necessary to transfer the ownership of the Emissions Reductions (ERs) to the GCF itself, but rather it is necessary to guarantee that no competing claims to ownership of these reductions will overlap with the results that would be compensated by the GCF.

In this way, Chile will record in the information hub on the UNFCCC web portal the quantity of results obtained between 2014 and 2016 for which payments will be received under de pilot program, expressed in tonnes of carbon dioxide equivalent per year, as well as in the "Emission Reduction Registry System" that is currently being developed and tested. In addition, Chile will transparently record that GCF is the entity paying for results; and corresponding results will no longer be eligible for RBPs under the GCF or in any other arrangement.

This task will be guaranteed by CONAF, that according to the national policy and regulations has the mandate, as a national entity in charge to implement the ENCCRV of transferring ERs and subscribing ERPAs. Official communications that support the legal framework has been produced in the context of the participation of Chile in the Carbon Fund of the FCPF. In the Annex 7 of the FP the following official communications from the relevant overarching governmental authority are provided:

1. Ability of CONAF to Transfer Title to Emission Reductions (ERs) to the Carbon Fund of the Forest Carbon Partnership Facility.
2. Ministry of National Assets, official resolution No.152 states that CONAF can advance on the third phase, allowing it to subscribe ERPA, and also recognizing the ability to transfer the ownership of carbon rights to the fund.

On March 21st 2017, in the context of the ERPA that has been negotiated with the World Bank, the Ministry of National Assets, issued an official resolution GABM No.152 mentioning that: "after having analyzed the National Strategy on Climate Change and Vegetation Resources (ENCCRV), this Ministry states that CONAF can advance on the third phase, allowing it to subscribe such Emission Reductions Purchase Agreement (ERPA), and also recognizing the ability to transfer the ownership of carbon rights to the fund."

In summary, the official designation of CONAF as the national agency in charge to manage REDD+ RBP, and the legal and institutional arrangements established at regional and local level with relevant counterparts through bilateral agreements, might be considered as relevant measures to mitigate the risk of competing ER title among different agencies.

As an additional measure to avoid any risk of competing ER title among different agencies or any other arrangement, CONAF has agreed with the FCPF of the WB that the negotiation of an Emission Reduction Purchase Agreement (ERPA) will take into account mitigation results ulterior to 2017.

It is important to consider that it is difficult to determine the origin and holders of ERs. To covenant that no other party has a competing claim to the results proposed to the GCF, following the experience gained under the FCPF Carbon Fund when developing a program at national level, three general requirements have been analyzed in addition to adopting the necessary safeguards: 1) giving special consideration to the risks associated with double accounting, 2) guaranteeing fair compensation to private forest landowners, 3) implementing an equitable benefit-sharing mechanism. The third option was chosen by Chile.

RBPs will be redistributed at regional level to implement REDD+ actions, on the basis of a well-established benefit-sharing distribution plan designed to implement ENCCRV (REDD+ strategy), in agreement with all the parties, through which non-monetary benefits will be channeled at regional level and reach small and medium forest owners (including agricultural communities and indigenous communities), following specific criteria and requirements.

The distribution of RBP is as follows: 20% of the financial resources that will be received via results-based payments are centralized and managed by CONAF Head Office to cover administrative costs.

The remaining 80% will be distributed between the regions where the emission reduction and/or the increase in absorption have been generated during the reference period, in order to finance projects associated with the

action measures of the ENCCRV. In particular, REDD+ actions carried out at local level, which contributed to ERs, are accounted at regional level, and distributed between regions, according to the following criteria:

- "Equity" between regions (50%)
- "Efficiency" in generating ERs and increasing forest carbon stocks (20%),
- "Solidarity" with regions less advantaged (socio-economically) or that faced special circumstances (fires, disasters, pests) (10%)

In light of the current legislation cited, the eligibility requirements of both category of projects that are prioritized via Regional REDD+ Group or regional public competitions, consider the following aspects:

1) Formal requirements: Legal aspects regarding land ownership of those who apply, whether individual or collective, or who are entitled to another type of tenure.
2) Alignment with the action measures of the ENCCRV.
3) Technical and budgetary feasibility: The proposal should be technically and financially sound, according with the available resources.

Aspects related to land tenure, such as the requirements established by law to regularize property titles over land or the relevance of customary law, certainly cover a relevant function, although it is intended that those persons/groups that do not hold tenure rights might also be included in the category of beneficiaries.

The allocation within each region will allow the definition of eligible areas, taking into consideration aspects of environmental, economic and social vulnerability. Among the criteria for the allocation of resources, the benefit-sharing distribution plan will take into account aspects of gender, the presence of indigenous peoples and vulnerable populations, to ensure positive social and environmental impacts.

To conclude, the activities carried out using the RBP will correspond to those indicated in the funding proposal and in any case, they must be aligned with the action measures established under the ENCCRV and the modalities established under its benefit-sharing distribution plan. RBP will reach final beneficiaries in the form of non-monetary benefits in order to be reinvested in the territory.

The rights and obligations related to RBPs are regulated at territorial level, through bilateral agreements (convenios con los propietarios). Each agreement will vary according to the modality chosen, the nature of the counterpart, and will contain some elements established within the benefit-sharing distribution plan. The requirements to access RBPs (non-monetary benefits) will not vary depending from the international fund but rather be defined through bilateral agreements.

Regarding use of the emission reductions, those will be used towards achievement of their NDCs. The results achieved during the reference period (2014 – 2016) will be accounted against the NDC to implement the ENCCRV and its benefit-sharing distribution plan, and the crediting will be registered at national level. The General Comptroller of the Republic (*Contraloría General de la República - CGR*) has a key role in controlling the entrance of international funds and guarantees compliance with administrative and fiscal rules. CGR will also perform audits to monitor the use of funds internally between the central office of CONAF and the Regional Directorates that receive financing, as well as for its execution.

As mentioned above, the ENCCRV, the key public policy instrument to achieve Chile's NDC objectives, states that the action measures that have been developed to implement the ENCCRV have effects on both public and private lands, which impedes determining the source of ERs. This is based on technical considerations related to carbon accounting, as an individual owner cannot be entitled to or demonstrate that it has ERs rights which are calculated at regional level.

Therefore, detailed arrangements have been made under the benefit-sharing plan in order to clarify how the REDD+ benefits will be equally distributed among the beneficiaries, which have contributed in generating such payments.

On the other hand, based on current legislation, national assets whose use does not generally belong to the people, are called State assets or fiscal assets (article 589 of the civil code). Such goods, especially if derived from nature, cannot be owned by private entities.

To implement the ENCCRV, it is foreseen that interested parties may access competitive funds, according to the thematic lines, and criteria established in calls for proposals. The thematic lines refer to afforestation with native species, ecological restoration, forest conservation and sustainable forest management. The provisions of the Environmental and Social Management Framework (ESMF) and the Operational Manuals for the direct-action measures of the ENCCRV will also be taken into consideration.

When monetary benefits could be distributed to forest landowners in order to implement certain action measures of the ENCCRV, pre-existing public mechanisms will be used, most of which are supported by the existing legal framework.

With regards to the type of forest landowners that will be eligible to receive benefits, "small forest owners" will be prioritized. Equally, those beneficiaries classified as "medium owners" will be considered. The prioritization considers aspects of environmental, economic, and social vulnerability to be specified at regional level, taking into account aspects such as gender, presence of indigenous peoples and vulnerable population.

Small forest owners include “agricultural communities” according to the law 5/1968, the indigenous communities regulated by law 19.253/1993; the “communities on common goods resulting from the Agrarian Reform process”; “rain fed companies” formed according to article 1° of the decree 2.247/1978, and the companies referred to in article 6 of the law 19.118/1992 provided that, at least, 60% of the social capital of such companies is held by the original partners or people that have the quality of small forest owners, as certified by the Agricultural and Livestock Service.

It is not expected or considered that the budget aimed at forest landowners would be an issue with recognition of ERs if the activities carried out using the RBP are different from those specified in the Funding Proposal (i.e. if 80% of the RBP is not transferred to the land holders) since most of the funds will be transferred to land holders according with the benefit-sharing distribution plan (BSDP).

G. Accredited entity fee and project management costs

Provide a list of the activities that are expected to be conducted using the AE fees and project management cost with corresponding costs as follows:

Accredited entity fee:

FAO requests 3,5% as accredited entity fees.

Project management expenses for the full implementation period

Project Management expenses	
Project Management Unit	2,288,920
Direct Support Cost	2,226,264
Provision of supervision services to the project	2,226,264
TOTAL	**6,741,499**

H. Annexes

1. Non-objection Letter
2. Environmental and social assessment (ESA)
3. Environmental and Social Management Framework
4. Gender Analysis
5. Gender Action Plan
6. Buffer Estimation