The current progresses of the JCM and climate change related policy

Chile

Alfonso Galarce
Climate Change Office
Ministry of the Environment
Climate change policy context in Chile

- Strong political commitment with climate action (State vision)
- Chile has committed to step up its ambition through its NDC
- Chile will host COP25, and the Minister of the Environment will hold the Presidency
- Chile was the first developing country to submit its 3rd BUR (GHG Inventory, 1990-2016 series).
- We lead a “Latin-American GHG Inventory Network”
- Chilean Minister of Finance is co-leading the World Bank’s “Finance Ministry Coalition for Climate Action”, together with the Finnish Minister
Climate change policy context in Chile

CC Framework Law

Long Term Climate Strategy

NDC

CC Plans & other policy instruments

Work in progress

Update by 2020

In force
Energy Sector

Fuel consumption: 80% of Chile’s GHG emissions (mainly power generation and transport)

Electricity Generation
- 2018: 20% NCRE; 40% RE; 40% Fossil Fuel (mostly coal)
- Coal phase out roundtable in progress (2019)
- Challenge: promote stable NCRE generation as CSP, pump storage or batteries

Energy Demand
- Transport
- Thermal and Industrial processes
- Challenge: Replace FF with clean energy
Climate Change Framework Law

• Climate change governance system

• New climate change policy instruments
  ✓ Long Term Climate Strategy
  ✓ Technology Transfer Strategy
  ✓ Capacity Building Strategy

• Enhance and create new climate financing instruments
  ✓ Climate Financing Strategy

• Recognize carbon pricing instruments (e.g. carbon tax) and cooperation schemes (e.g. JCM)
Long Term Climate Strategy (LTCS)

- Define long term mitigation and adaptation goals
- Define a peaking year for GHG emissions
- Distribute sectoral goals, based on mitigation scenarios
- The LTCS will be the overarching policy instrument for climate action in Chile
NDC update by 2020

Mitigation component

Carbon Intensity Target

- Reduce 30% of CO₂ per GDP unit by 2030 (2007)
- Conditional to grants: up to 35-45%

LULUCF Target

- Sustainable development and recovery 100,000 ha forest (>native)
- Reforest 100,000 ha (>native)

Chile is working on the enhancement of its NDC by:

- Revising our goal and type indicator (carbon intensity vs absolute reduction target)
- Revising the conditionality of our targets
- Incorporating the ICTU definitions into our NDC update
JCM Progress in Chile

• JCM bilateral agreement was signed in May 2015

• Approved methodology for “Installation of Solar PV System”

• One approved project in Chile: “Introduction of 1MW Rooftop Solar Power System to University”,

• A selected project: “2MW Solar Power and 4MWh Storage Battery Project in San Pedro de Atacama City”

• JCM is a relevant framework in Chile for bilateral cooperation into mitigation projects and reduction credits

• It has helped to model institutional arrangements in Chile in order to manage cooperation between parties through climate change projects
Conclusions

• Chile has a strong commitment with climate action, we see both a challenge and an opportunity for sustainable development

• Increasing participation of renewable energies, ongoing discussion for decarbonization and possible offsets for carbon taxes (tax reform)

• We are enhancing our institutional arrangements to lead our efforts (CC Law, LTCS, update NDC)

• JCM could play an important role in this process, it has the leading experience and framework to do so

• The MRV system is a key component, and Chile is working on it, based on our NDC. We are advancing through the Pacific Alliance on this regard.

• Our challenge is to define how the JCM could upscale in order to contribute to our NDC targets
Thanks for your kind attention!

Alfonso Galarce Jaramillo  
Climate Finance Officer  
Climate Change Office  
Ministry of the Environment - Chile  
agalarce@mma.gob.cl