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**Support Framework**

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| **Title:** | Climate Promise – Fase III |
| **Country Program Effect (2019-2023):** | The Chilean state adopts international frameworks, designs, strengthens and implements national regulatory frameworks, public policies and programs that allow moving towards a sustainable, inclusive and resilient production and consumption model, with an emphasis on the circular economy, through a fair and socio-ecological transition, decent work, economic diversification, financial sustainability, green financing, promoting science, culture, technology and innovation and inclusive digitization, with an integrated approach. |
| **Start Date:** | July 01, 2023 |
| **End Date:** | December 31, 2024 |
| **Implementation Partner:** | United Nation Development Programme |

Under the Climate Promise, UNDP will support Chile to undertake an inclusive and transparent process to implement, track and further strengthen their enhanced Nationally Determined Contributions (NDCs)

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| **Project ID:** 1000501 | **Total Budget** 544,320 USD |
| **National Deliverables:**<br>Deliverable 2.2.1: Analysis of the main needs and existing financial gaps for the implementation of the Long-Term Climate Strategy (LT-LEDS) and macroeconomic effects of the implementation of its measures (GM: 2)<br>Deliverable 2.2.2: LT-LEDS (Chile 2050 Neutrality Strategy) Financial Strategy Update (GM: 2)<br>Deliverable 2,2,3: Develop an implementation roadmap for Nature-Based Solutions (NBS) measures that contribute to LT LEDS in Chile (GM: 2) | Government of Germany BMZ 387,720 USD<br>(Government of Germany BMUV 156,600 USD |

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## I. Context

Within the ambit of Global Output 2.2, the individual spearheaded Deliverable 2.2.1, conducting a meticulous analysis of the main needs and financial gaps for executing the Long-Term Climate Strategy (LT-LEDS). This involved a nuanced examination, encompassing the quantification of economic costs, sector and regional cost analyses, and a comprehensive evaluation of financial needs and gaps by cross-referencing with existing spending data (Activities 2.2.1.1 to 2.2.1.3). Additionally, the professional provided a quantitative approximation of the aggregate economic benefits arising from LT-LEDS measures (Activity 2.2.1.4).

In the context of Deliverable 2.2.2, which focused on Chile's 2050 Neutrality Strategy, the professional conducted a thorough desk review of international experiences related to LT-LEDS Financial Strategies (Activity 2.2.2.1). Subsequently, they proposed a structured financial strategy, taking into account financing gaps, stakeholder mapping, identification of investment opportunities, and the formulation of specific, measurable compliance measures (Activities 2.2.2.2 and 2.2.2.3). Furthermore, the individual devised a monitoring and reporting system aimed at institutionalizing funding tracking for the achievement of LTS Financial Strategy goals (Activity 2.2.2.4).

Under Deliverable 2.2.3, the professional played a key role in developing an implementation roadmap for Nature-Based Solutions (NBS) in Chile. This encompassed identifying national needs and potentials for NBS, systematizing regional NBS projects, and prioritizing investment opportunities (Activities 2.2.3.1 to 2.2.3.3). They proposed a comprehensive roadmap for NBS implementation, developed concept notes for priority projects, and established guidelines for estimating the impact on greenhouse gas absorption and reduction (Activities 2.2.3.4 to 2.2.3.6).

Throughout these initiatives, the professional's approach prioritized whole-of-government and society consultation, ensuring robust engagement at national, sectoral, and sub-national levels. This aligns seamlessly with Chile's Framework Law on Climate Change.

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National Deliverables

I. Global Output 1.2: Institutional capacities and whole-of-government coordination mechanisms at all levels strengthened to support effective, gender-responsive and inclusive NDC implementation processes.

- Activity 1.2.1.1 NDC Partnership facilitator for the coordination of internationally funded projects

II. Global Output 2.2: Strategies, political will and capacities/resources for long-term net-zero, climate resilient pathways are established, including LTS.

- Deliverable 2.2.1: Analysis of the main needs and existing financial gaps for the implementation of the Long-Term Climate Strategy (LT-LEDS) and macroeconomic effects of the implementation of its measures.

  - Activity 2.2.1.1: Quantification of the Economic cost of implementing the prospective and current measures of the LT-LEDS considering the investment (CAPEX), operational and maintenance (OPEX) costs.
  - Activity 2.2.1.2: Conduct a cost analysis by sector and region, disaggregating LT-LEDS costs, identifying which economic sectors and regions justify the main costs.
  - Activity 2.2.1.3: Conduct and Evaluation of the main financial needs and gaps by sector and region. Cross-reference of results of the cost analysis in sections 1 and 2 above, with existing information regarding public and private spending and investment in climate- or environmental-related initiatives.
  - Activity 2.2.1.4: Quantitative approximation of the aggregate economic benefits of implementing the LT-LEDS measures.

- Deliverable 2.2.2: LT-LEDS (Chile 2050 Neutrality Strategy) Financial Strategy Update

  - Activity 2.2.2.1: Desk review of international experiences for LT-LEDS Financial Strategies in order to identify the main components of this financial strategies, including challenges, stakeholders, lessons learned.
  - Activity 2.2.2.2: Sructure proposal for the LT-LEDS Financial Strategy of Chile considering financing gaps found in previous activities: mapping of the main stakeholders; investments opportunities and financing tools; Propose measures with a specific term and measurable compliance.
  - Activity 2.2.2.3: 1st Draft of the Financial Strategy, including consultation at whole-of-government and whole-of-society / involve stakeholders at all levels (National, Sectoral and Sub-national).
  - Activity 2.2.2.4: Proposal of a monitoring and reporting system to institutionalize funding track for LTS Financial Strategy achievement.

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- Deliverable 2,2,3: Develop an implementation roadmap for Nature-Based Solutions (NBS) measures that contribute to LT LEDS in Chile,

- Activity 2.2.3.1: Identify at the national level the needs and potentials of Chile's regions for the use of "nature-based solutions" (NBS) in the fulfillment of the national NDC and LT-LEDS
- Activity 2.2.3.2: Identify and systematize regional and communal NBS projects that can demonstrate a greater impact in terms of adaptation to CC and contribution to GHG absorption. "
- Activity 2.2.3.3: Identify NBS investment/financing opportunities and prioritize those that best fit the country's context.
- Activity 2.2.3.4: Propose roadmap for NBS implementation, including: Guidelines for the development and implementation of NBS; Critical nodes in the development and implementation phase stages; Process enablers; key actors; Proposed timelines & process indicators.
- Activity 2.2.3.5: Develop, 5 concept notes for priority projects on NBS soutions, including CAPEX and OPEX, potential funding arrangements and funding sources, institutional responsibilities, and economic and social co-benefits.
- Activity 2.2.3.6: Establish guidelines and methodologies for estimating the impact on greenhouse gas absorption and reduction of NBS actions. Characterize main or potential actions of the NBS type and their relationship with Chile's national greenhouse gas NBS actions with respect to Chile's 2050 neutrality goal, established in Chile's Framework Law on Climate Change.

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| Global Outcome 1 | Global Output | National Deliverables | National Activities | Funding Source | Contributing Initiative | Budget Allocation | Responsible Party | Theme | Implementation Timeframe 2023/2024 | | | | | | | | | | | | | Comments |
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| Please do not edit | Please do not edit | Please include all deliverables supported by UNDP that contribute to the corresponding Global Output, whether they are funded by new funding from the Climate Promise 2 or not. (Add more row as appropriate. Do not merge row) | Please include key activities for each deliverable whether they are funded by new funding from the Climate Promise 2 or not. (Add more row as appropriate. Do not merge row) | Select from dropdown list. One funding source per activity only, if activity has more than one funding sources, please repeat the activity. If "Other" is selected, please specify in the next column | Please input "short project title (Donor)", if more than one, separate by semi colon e.g.: NAP Readiness (GCF); CBiT (GEF); FCPF (WB,Norway) | Enter budget allocation for Climate Promise 2 activities only | Indicate the party responsible for impelmenting the activity - UNDP, Ministry of Environment, UN/NGO/Academic partner etc. | Select themes for each activity (Multiple selection possible). To de-select options, please clear the entire box and then re-enter the correct choices. | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Please provide any additional information that you deem necessary to justify the proposed activity |
| Global Outcome 1: Scale and Speed: Countries have effectively strengthened inclusive and gender-responsive governance and financing mechanisms to enable delivery and tracking of NDC targets across sectors | Global Output 1.2: Institutional capacities and whole-of-government coordination mechanisms at all levels strengthened to support effective, gender-responsive and inclusive NDC implementation processes | Deliverable 1.2.1 | Activity 1.2.1.1 NDC Partnership facilitator for the coordination of internationally funded projects | CP2-BMU | | $ 40,000.00 | UNDP/Ministry of Environment - MMA | Net-zero Pathways (LTS/LEDS) | | | | | | | X | X | X | X | X | X | |
| Global Outcome 2: Amplifying Ambition: Countries have established long-term net-zero and climate resilient development pathways aligned with the goals of the Paris Agreement. | Global Output 2.2: Strategies, political will and capacities/resources for long-term net-zero, climate resilient pathways are established, including LTS. | Deliverable 2.2.1: Analysis of the main needs and existing financial gaps for the implementation of the Long-Term Climate Strategy (LT-LEDS) and macroeconomic effects of the implementation of its measures. | Activity 2.2.1.1.Quantification of the Economic cost of implementing the prospective and current measures of the LT-LEDS considering the investment (CAPEX), operational and maintenance (OPEX) costs. | CP2 - BMZ-LT LEDS | NDCSP-BMZ | $ 152,000.00 | UNDP/Ministry of Finance | Climate Finance | | | | | | X | | | | | | | The quantification will included: 1.1. Evaluate and define a methodology to address the requested analysis; 1.2. Identify the means or ways of implementing each of the LT-LEDS goals (some measures may not have an explicit economic cost); 1.3. Quantify the investment (CAPEX), operation, and maintenance (OPEX) costs for the LT-LEDS measures. This quantification should reflect explicit costs, unless they were difficult to be estimated, in which case a qualitative analysis should be included. The work will build on actual IFF work conpleted with LTS Enegy |
| | | | Activity 2.2.1.2.Conduct a cost analysis by sector and region, disaggregating LT-LEDS costs, identifying which economic sectors and regions justify the main costs | CP2 - BMZ-LT LEDS | NDCSP-BMZ | | UNDP/Ministry of Finance | Climate Finance | | | | | | | X | | | | | | | The work will include: 1. Evaluate and define a methodology to address the requested analysis; 2. Disaggregate the main costs to implement the LT-LEDS measures, according to their sectoral and local component;.3. Identify in which economic sectors and regions the main costs are projected. It will build on actual IFF work conpleted with LTS Enegy |
| | | | Activity 2.2.1.3. Conduct and Evaluation of the main financial needs and gaps by sector and region. Cross-reference of results of the cost analysis in sections 1 and 2 above, with existing information regarding public and private spending and investment in climate- or environmental-related initiatives. | CP2 - BMZ-LT LEDS | NDCSP-BMZ | | UNDP/Ministry of Finance | Climate Finance | | | | | | | | X | | | | | | The work will include: 1. Collect locally available information regarding spending and investment in climate- or environmental-related initiatives; 2. Evaluate and define a methodology to address the requested analysis; 3. Cross-reference available local information on environmental or climate spending and investment with disaggregate cost analysis by sector and region; 4. Identify financing needs and gaps, as well as the economic sectors and regions in which these are concentrated |
| | | | Activity 2.2.1.4.Quantitative approximation of the aggregate economic benefits of implementing the LT-LEDS measures | CP2 - BMZ-LT LEDS | NDCSP-BMZ | | UNDP/Ministry of Finance | Climate Finance | | | | | | | | X | | | | | | This will include evaluating and defining a methodology to address the requested analysis |
| | | | Activity 2.2.2.1: Desk review of international experiences for LT-LEDS Financial Strategies in order to identify the main components of this financial strategies, including challenges, stakeholders, lessons learned | CP2 - BMZ-LT LEDS | NDCSP-BMZ | | UNDP/Ministry of Finance | Climate Finance | | | | | | | | X | | | | | | |

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| | | Deliverable 2.2.2: LT-LEDS (Chile 2050 Neutrality Strategy) Financial Strategy Update | Activity 2.2.2.2: Sructure proposal for the LT-LEDS Financial Strategy of Chile considering financing gaps found in previous activities: mapping of the main stakeholders; investments opportunities and financing tools ; Propose measures with a specific term and measurable compliance | CP2 - BMZ-LT LEDS | NDCSP-BMZ | $ 87,000.00 | UNDP/Ministry of Finance | Climate Finance | | | | | | X | | | | | | | |
| | | | Activity 2.2.2.3:1st Draft of the Financial Strategy, including consultation at whole-of-government and whole-of-society / involve stakeholders at all levels (National, Sectoral and Sub-national). | CP2- BMWK-Investment | NDCSP-BMZ | $ 105,000.00 | UNDP/Ministry of Finance | Climate Finance | | | | | | | X | | | | | | |
| | | | Activity 2.2.2.4: Proposal of a monitoring and reporting system to institutionalize funding track for LTS Financial Strategy achievement. | CP2- BMWK-Investment | NDCSP-BMZ | | | Climate Finance | | | | | | | | X | | | | | |
| | | Deliverable 2,2,3: Develop an implementation roadmap for Nature-Based Solutions (NBS )measures that contribute to LT LEDS in Chile, | Activity 2.2.3.1: Identify at the national level the needs and potentials of Chile's regions for the use of "nature-based solutions" (NBS) in the fulfillment of the national NDC and LT-LEDS | CP2 - BMZ-LT LEDS | | $ 80,000.00 | UNDP/Ministry of Environment - MMA | Other Nature-Based Solutions | | | | | X | | | | | | | | | |
| | | | Activity 2.2.3.2.Identify and systematize regional and communal NBS projects that can demonstrate a greater impact in terms of adaptation to CC and contribution to GHG absorption. | CP2 - BMZ-LT LEDS | | | UNDP/Ministry of Environment - MMA | Other Nature-Based Solutions | | | | | X | | | | | | | | |
| | | | Activity 2.2.3.3: Identify NBS investment/financing opportunities and prioritize those that best fit the country's context | CP2 - BMZ-LT LEDS | | | UNDP/Ministry of Environment - MMA | Other Nature-Based Solutions | | | | | | X | | | | | | | |
| | | | Activity 2.2.3.4: Propose roadmap for NBS implementation, including: Guidelines for the development and implementation of NBS; Critical nodes in the development and implementation phase stages; Process enablers; key actors; Proposed timelines & process indicators. | CP2 - BMZ-LT LEDS | | | UNDP/Ministry of Environment - MMA | Other Nature-Based Solutions | | | | | | X | | | | | | | |
| | | | Activity 2.2.3.5: Develop, 5 concept notes for priority projects on NBS soutions, including CAPEX and OPEX, potential funding arrangements and funding sources, institutional responsibilities, and economic and social co-benefits | CP2 - BMZ-LT LEDS | | | UNDP/Ministry of Environment - MMA | Other Nature-Based Solutions | | | | | | | X | | | | | | |
| | | | Activity 2.2.3.6: Establish guidelines and methodologies for estimating the impact on greenhouse gas absorption and reduction of NBS actions. Characterize main or potential actions of the NBS type and their relationship with Chile's national greenhouse gas NBS actions with respect to Chile's 2050 neutrality goal, established in Chile's Framework Law on Climate Change. | CP2 - BMZ-LT LEDS | | $ 40,000.00 | UNDP/Ministry of Environment - MMA | Other Nature-Based Solutions | | | | | | | X | | | | | | |