Progress Headline (example: During this past quarter, the project has supported the country put in place a functioning coordination mechanism and mobilize the necessary technical capacity to undertake the activities in the work plan. Several stakeholder consultations took place to kickstart the NDC implementation Plan. A draft plan is expected next month. The capacity assessment for Article 6 readiness is in full speed. The review of the regulatory framework was completed this quarter. Etc.) Please provide a paragraph summaring key	**NDC-SP Ministry of Finance project** Climate investment report During Q3 2023, the project team continued leading the methodological process for the preparation of the first Climate Investment Report required by article 38 of the Framework Law on Climate Change. Following the agreements reached on the April working sessions with the Ministry of Finance, the Budget Office, the Ministry of the Environment and the Ministry of Social Development and Family. Following are the key milestones regarding the Climate Investment Report: * UNDP team elaborated de Climate Investment Report Draft in close coordination with the with the Ministry of Finance, the Budget Office, the Ministry of the Environment and the Ministry of Social Development and Family. Receiving comments and adjustments from these institutions during the reviewing process. * Also, the Fiscal Transparency Department of the Budget Office was appointed to continue the reporting requirement set by the Framework Law on Climate Change in the coming years. UNDP Team presented the methodological approach and guidelines	**NDC-SP Ministry of Finance project** Climate investment report follow up After the publication of the Climate Investment Report required by the article 38 of the Climate Change Framework Law, the UNDP team has been working on: * Training sessions with the Fiscal Transparency Department of the Budget Office, presenting the methodological approach and providing guidelines to ensure knowledge transfer and capacity building in the officials from the Budget Office, focusing on lessons learned and best practices to guarantee consistency, quality reporting standanrds, robustness of the methodological approach, set by UNDP's work since 2020. The project has concluded the phase out strategy to support the government in the elaboration of the yearly report in the future. This report is presented to the National Congress each September. * The "Climate Investment Report Definitions and Guidelines" drafted by the UNDP project team which documents all the process' definitions, decisions, and steps taken for the report elaboration, was submitted for review to the Ministry of Finance, Environment, Social Development and the Budget Office. *UNDP project team developed a "Guideline on Climate Investment Initiatives Tagging Guidance" to support the implementation by the end of 2023/beginning 2024 of a climate change marker. This marker will allow the identification of climate change-related investment projects in the National Investment System. The document with guidelines seeks to train investment project's formulators from various government institutions. The document is in review stages by the Ministry of Finance, Environment, Social Development and the Budget Office. The marker is expected to be implemented and working in January, depending on the counterparts review.

activities during this quarter	assuring the knowledge transfer and capacity building in the official from the Budget Office. In Q4 a new training session will be held including the lessons learned and best practices to guarantee the capacity building and quality reporting standards, robustness of the methodological approach and consistency, set by UNDP's work since 2020. By doing so, the project will conclude the phase out strategy to support the government in the elaboration of the report in the future, in annual basis (as requested by law) which is presented to the National Congress each September. * A "Climate Investment Report Development Guidance" is in final stages of preparation to document all the process' definitions, decisions, and steps taken for the report elaboration. * The Climate Investment Report was published by the Budget Office on September 29th, 2023. (https://www.dipres.gob.cl/598/articles-316674_doc_pdf.pdf) * UNDP project team , agreed to advance in the generation of a descriptor/marker that allows ex ante identification of climate change-related	<u>Climate public expenditure</u> The UNDP team in association with the Ministry of Finance, Ministry of the Environment and the Local and Regional Climate Action and Financing Group (GAFiCCoR) is developing a pilot to measure subnational climate expenditure. After the GAFICCOR North Macrozone Regional Governments meeting in September 2023, the project team presented to the Center and South Macrozone Regional Governments in meetings held in Novermber and December, respectively. These presentations by the team, included a review of the advances and publications related to climate public expenditure, and invited the Regional Governments to be part of the of the pilot. The Magallanes and Santiago Regional Goverments have communicated their willingness to participate recently. The Ministry of Finance is working on the formal documents to start the pilots. Related to public companies pilots exercises, meetings were held with Metro (Subway company - https://www.metro.cl/) and EFE (State railways - https://www.efe.cl/) to invite them to be part of these diagnosis processes. To date, the project team and the Ministry of Finance are awaiting for the confirmation from this two public companies. The objective of the pilots is to apply the CPEIR and PCEIR methodologies, to generate a diagnostic scheme and compile background information regarding the climate change spending of these companies. <u>Climate private expenditure</u> Two climate private expenditure pilot exercises are in progress by the UNDP team and the Ministry of Finance: - An analysis of environmental protection spending reported to the Business Environmental Performance System

	investment projects in the National Investment System. * The UNDP project team proposed a work plan, which was approved by the counterparts. *UNDP project team will develop in Q4 a "Guideline on Climate Investment Initiatives Tagging Guidance" to support the implementation by the end of 2023 of a descriptor/marker that allows ex ante identification of climate change-related investment projects in the National Investment System. The Guideline will help to train investment project's formulators from various government institutions. <u>Climate public expenditure</u> A subnational pilot is in design process by the UNDP team in association with the Ministry of Finance and the Communal and Regional Climate Action and Financing Group (GAFiCCoR). The project team participated in a GAFICCOR North Macrozone Regional Governments meeting in September 2023, presented the advances and publications related to climate public expenditure, and invited the Regional Governments to be part of the pilot	(https://portalvu.mma.gob.cl/dae/) of the Ministry of the Environment (MMA) will be carried out. To date, the Ministry of Finance is elaborating the formal documents for the project to begin. The annalysis are expected to be carried out in January 2024. - The pilot exercise with the Climate Leader Group (CLG http://clgchile.cl/) Chile is in progress. This pilot seeks to analyze a sample of leading companies in climate action regarding their spending on climate change applying the UNDP PCEIR methodology. The UNDP teams has held working sessions with Banco Estado (Finance sector, State Bank), Aguas Andinas (Water and sanitary services) and Colbun (Energy generation), also meetings have been held with Codelco (State owned Copper Mining company), and CMPC (Forestry and paper company), expecting confirmation during december 2023.

	exercise. To date two regional governments have shown willingness to be part of the analysis, during Q4 are scheduled the Center and South Macrozone meetings, where the UNDP team will be presenting, expecting to incorporate more institutions to the pilot. Additionally, contacts are being managed to carry out a pilot exercise with two public companies of the Chilean State, Metro (Subway company - https://www.metro.cl/) and EFE (State railways - https://www.efe.cl/). Using the CPEIR and PCEIR methodology, we will seek to generate a diagnostic scheme and compile background information regarding the climate change spending of these companies. <u>Climate private expenditure</u> Two climate private expenditure pilot exercise are in development by the UNDP team and the Ministry of Finance: - An analysis of environmental protection spending reported to the Business Environmental Performance System (https://portalvu.mma.gob.cl/dae/) of the Ministry of the Environment (MMA) will be carried out. During the month of	

	October, the execution of the analyzes will be coordinated and it is expected to conclude in December 2023. - A pilot exercise with the Climate Leader Group (CLG http://clgchile.cl/) Chile will be carried out to analyze a sample of 5 leading companies in climate action regarding their spending on climate change through the UNDP PCEIR methodology. Results are expected for January 2024.	

Ministries and other government bodies involved in the implementation of the project Please indicate which ministries and government agencies (at national and subnational level) are involved in the project	Ministry of Finance as main implementation partner. As part of the analysis developed, the Ministries of Energy, Social Development, the Environment, and the Budget Office are close collaborators.	Ministry of Finance as main implementation partner. As part of the analysis developed, the Ministries of Energy, Social Development, the Environment, and the Budget Office are close collaborators.
Partnership: Highlight partnership with other UN agencies and other development partners	N/A	N/A
NDC Partnership For NDC Partnership member countries, please highlight how this CP2 support is contributing to	In August 2023 the Climate Promise provided support to the Ministry of Finance to update the Climate Change Financial Strategy started two consultancies: - Climate change strategy (CCS) draft proposal through benchmark of international experiences and critical analysis of the current CCS. Final	The Climate Promise consultancies are in place and providing support to the Ministry of Finance for the Climate Change Financial Strategy update: - Climate change strategy (CCS) draft proposal through benchmark of international experiences and critical analysis of the current CCS. Final deliverable expected for Q1 2024. - Long term climate strategy costs quantification, through the analysis of mitigation and adaptation costing methodologies and the

NDCP and how UNDP is coordinating with other Implementing Partners in supporting the government to advance its NDC related activities.	deliverable expected for Q1 2024. - Long term climate strategy costs quantification, through the analysis of mitigation and adaptation costing methodologies and the costs determination of relevant goals and activities. Final deliverable expected for Q1 2024.	costs determination of relevant goals and activities. Final deliverable expected for Q1 2024.
Private Sector, Civil Society, Academia and other Please highlight partnership with private sector, civil society organisations, academia and other relevant entities.	• UNDP project team, Ministry of Finance the Climate Leaders Group (CLG - http://clgchile.cl/) agreed a workplan for a pilot exercise in the analysis of climate private expenditure in 5 member companies of CLG. By applying the Private Climate Expenditure and Institutional Review (PCEIR) UNDP Methodology it is expected to diagnosis the possibilities for the identification and measurement of climate expenditure in the companies, and identify barriers and opportunities to expand the exercise in the future. 4 sessions will be held during October 2023 to define the companies' selection criteria, understand CLG member companies (different industrial sectors as copper and lithium mining, cement, banks, utilities, forest/paper pulp and retail, among others), elaborate and	• UNDP project team, Ministry of Finance the Climate Leaders Group (CLG - http://clgchile.cl/) are working in pilot exercises for the analysis of climate private expenditure in 5 member companies of CLG. By applying the Private Climate Expenditure and Institutional Review (PCEIR) UNDP Methodology it is expected to diagnosis the possibilities for the identification and measurement of climate expenditure in the companies, and identify barriers and opportunities to expand the exercise in the future. 4 sessions were held during October 2023 to define the companies' selection criteria, understand CLG member companies (different industrial sectors as copper and lithium mining, cement, banks, utilities, forest/paper pulp and retail, among others), elaborate and agreed the workplan, scope and timeframe for the pilots. The pilot is now in place working with Banco Estado (Finance sector, State Bank), Aguas Andinas (Water and sanitary services) and Colbun (Energy generation), also meetings have been held with Codelco (State owned Copper Mining company), and CMPC (Forestry and paper company), expecting confirmation during december 2023.

	agreed the workplan, scope and timeframe for the pilots.	
Social Inclusion and Gender Equality Please indicate key outputs/products and/or results achieved related to gender equality and social inclusivity. Please provide additional details in the G and H columns of the Climate Promise 2 tab. For countries receiving UK DEFRA support, please highlight engagement with Indigenous Peoples and Local Communities.	The final report of Gender public budget analysis is in review stage by UNDP Team. This analysis followed the same methodology framework of climate public expenditure applying the different approaches of Gender perspective.	The final report of Gender public budget analysis is in review stage by UNDP Team. This analysis followed the same methodology framework of climate public expenditure applying the different approaches of Gender perspective.

Communications and Visiblity Please indicate what major or key communication and visibility activities (e.g. stakeholder interviews, articles, blogs, press conferences, videos) were undertaken during the quarter - Please include title, date of publication, target audience and dissemination channels where relevant. If key events (e.g. workshops, training, conferences) were held during the quarter - Please include the title, date of organisation and	The project infographic in Spanish and English will be share online during October, after finalizing the explanatory video (7 min. long) and short videos (8 videos, les than 1 minute) currently in development. The climate finance page is in the mock-up stage to begin web development in December 2023-January 2024. Policy Brief with the results of the I&FF analysis and macroeconomic impacts of Carbon Neutrality 2050 in the energy sector will be elaborated during Q4.	The project infographic in Spanish and English are being shared online during by UNDP, and the explanatory video is also available online. https://www.undp.org/node/438471 https://www.instagram.com/p/C1Fbt-eOSiY/?img_index=1 https://www.instagram.com/p/C1FcVNvuc3l/ https://twitter.com/PNUDChile/status/1737516564008604033 The climate finance page is in the mock-up stage to begin web development in 2024. Policy Brief with the results of the I&FF analysis and macroeconomic impacts of Carbon Neutrality 2050 in the energy sector has been discarded, since focus has been put on climate expenditure and support CoP activities of the Ministry of Finance. A video for CoP 28 was developed along with the Ministry of Finance and was published by UNDP. https://www.undp.org/es/chile/noticias/cop-28-compromisos-financieros-para-enfrentar-el-cambio-climatico-en-chile https://www.instagram.com/p/C0mRk8ouVkz/ https://twitter.com/PNUDChile/status/1735018338890256803

target audience (for events specify the # of participants dissagreggated by gender, if possible)		
Governance For each workstream (CP2/NDC SP/JSB), please provide any updates on the latest steering committee/project board decisions that significantly	UNDP has 2 projects underway and a third in planning, related to the National Biodiversity Strategy, which includes among its products analysis of public spending on biodiversity, perverse subsidies for biodiversity and financing action plans. These projects are led by the Ministry of the Environment, and the UNDP has identified opportunities for coordination and generation of synergies with the Ministry of Finance	Project Steering Committee meeting was held on December 20, 2023, at the Ministry of Finance where the progress made to date in the project was highlighted, as well as the priorities for 2024. Officially the NDC-SP support has come to its end, and all the results and impacts were thanked and highlighted by the Ministry of Finance. The project team will continue supporting the Ministry of Finance with the Climate Promise funding.

affect project implementation (extension, significant change to workplan, change in key project management positions etc.)	based on the learning achieved in the technical assistance of public spending on climate change and currently in the development of consultancy of the Financial Strategy against Climate Change. The project team will provide its experience in the matter to collaborate in the successful accomplishment of the products that are within its scope of work, to guarantee a performance in accordance with the expectations of the counterparts and the lessons learned in the technical assistance to the MoF since 2020.							
[Programme] Risks For each workstream (CP2/NDC SP), please identify (up to 3) probable future risks at the project and partnership level and include potential strategies to mitigate/treat them.	**Risk Category / Subcategory** Click on the cell(s) below to deploy the drop-down menu and select the risk(s) categories and subcategories.	**Risk(s) description & Risk(s) treatment** Briefly indicate the event, the cause and the impact of the risk and, finally, the treatment action needed.	**Risk/ Issue Description (Event/Cause)**	**Risk Type** Click on the cell(s) below to deploy the drop-down menu and select the risk type.	**Impact (1-5)** Click on the cell(s) below to deploy the drop-down menu and select the impact level. (1, the lowest,	**Likelihood (1-5)** Click on the cell(s) below to deploy the drop-down menu and select the likelihood level. (1, the lowest, to 5, the highest)	**Significance (Low, Moderate, High)** Click on the cell(s) below to deploy the drop-down menu and select the significance level.	**Mitigation Action** Please describle the mitigation actions you have taken to address the risk.

					to 5, the highest)			
CP2-RIsk1		*Event--> Cause --> impact + Treatment action*						
CP2-Risk2		*Event--> Cause --> impact + Treatment action*						
CP2-Risk3		*Event--> Cause --> impact + Treatment action*						
NDCSP-Risk1		*Event--> Cause --> impact + Treatment action*						
NDCSP-Risk2		*Event--> Cause --> impact + Treatment action*						
NDCSP-Risk3		*Event--> Cause --> impact + Treatment action*						

Challenges and Emerging Technical Assistance Needs For each workstream (CP2/NDC SP/JSB), please describe the main challenges faced during the last quarter, where your project implementation did not go as planned. Select activities that the team had some control over and describe the actions undertaken to address the difficulties. Please use this section to highlight emerging technical assistance needs	South-South cooperation and international experiences exchange is expected to be an emerging opportunity in the update of the climate change financial strategy and the cost estimation of the long-term climate strategy. July 2024 deadline poses a challenge for the project planning and objectives accomplishment due to the complexity of securing additional resources (Being Chile an OECD graduated country).	South-South cooperation and international experiences exchange is expected to be an emerging opportunity in the update of the climate change financial strategy and the cost estimation of the long-term climate strategy. July 2024 deadline poses a challenge for the project planning and objectives accomplishment due to the complexity of securing additional resources (Being Chile an OECD graduated country).

or anticipated challenges.		
Lessons learned and good practices For each workstream (CP2/NDC SP), share key lessons learned and/or good practices at the project and partnership level, including those related to gender and social inclusion, to contribute to knowledge sharing and informing		**<u>NDC-SP MoF Technical assistance</u>** The UNDP project team in Chile has provided a solid leadership and senior expert technical assistance, frequently highlighted by the Ministry of Finance and the Budget Office. The latter is the result of a strong and permanent collaboration with the MOF and Budget Office, to consolidate the best options to achieve the proposed objectives since 2019, without imposing methodologies or predefined pathways but on the contrary, considering the national and local context in order to define the most appropriate tools and mechanisms. The technical leadership of the UNDP methodologies have been consolidated by benchmarking and are key for their institutionalization in Chile, responding by results. **UNDP team has a strong professional and technical relation with the MInistry of Finance which has led to trust in the UNDP work to lead the Climate Finance Strategy Update in 2023 and 2024.** A lesson learned is that the UNDP methodologies, despite being widely used by various countries, require to be updated on a general

future support. Reflect on 2-3 things relating to partnership, planning, implementation and/or learning that would help make the programme more impactful (at the project, country, regional or global level) and justify.		level by including in this exercise various public instruments that most countries have, such as the NDC, long-term climate strategies, financial strategies, green bonds, taxonomies and even carbon neutrality - 2050 net zero. A methodological update from 2010 to 2023 will allow future professionals and teams to accelerate the link between public climate policy instruments and UNDP methodologies.