



Emissions Baselines for National Climate Policy

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National Context

Past

- Emissions of CO₂e in Chile have increased 232% in the last 16 years, highly coupled with economic growth

Present

- Chile has pledged under the UNFCCC to achieve a 20% deviation below BAU by 2020, as projected from the year 2007
- Chile has signed the OECD's Green Growth Declaration

Future

- Results from COP 17 indicate that Chile could assume a legally binding mitigation commitment in the future regime to be agreed in 2015
- Chile strives to maintain its international competitiveness

What is MAPS-Chile?

MAPS-Chile is:

- A government-led project, with a signed ministerial mandate from six Ministers
- A multi-stakeholder, participative process
- Based on nationally-led analysis and modeling by an expert research team
- Aimed at generating scenarios of economic development to 2020, 2030 and 2050 characterized by low greenhouse gas emissions



MAPS-Chile Process

A 2-year process

- Year 1 focuses on the construction of the national baseline
- Year 2 focuses on the construction, analysis and discussion of mitigation scenarios
- Final stage of the project focuses on high-level outreach



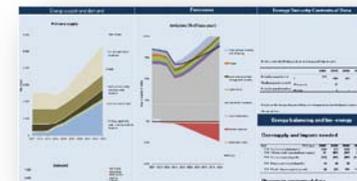
MAPS-Chile Process

Process Characteristics

- Monthly meetings of the Ministerial Steering Committee
- 6 total meetings of the ~70 person Scenario Building Team, a permanent group of stakeholders (advisors) chosen based on a specific criteria
- Permanently being supported and “fed” information by the permanent research team and publicly bid studies
- Facilitated and mediated by a full-time professional facilitator
- Supported financially by donors and technically by the MAPS team in South Africa and the Danish Government

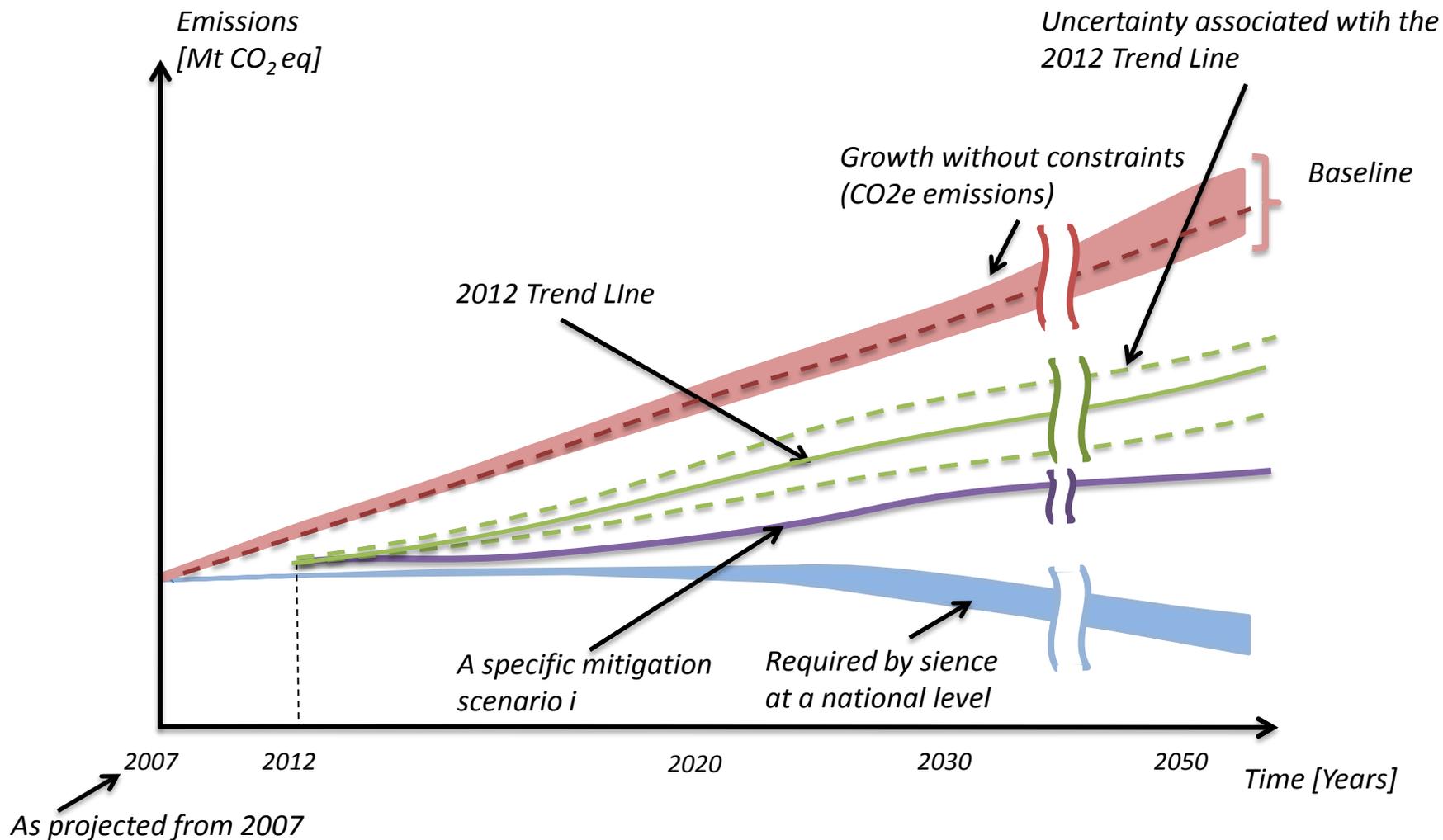
MAPS-Chile Results

1. Web page and knowledge management system
2. “Library” of mitigation actions
3. 2007-2050 “growth without restraints” emissions projections
4. Exploration of national alternatives for contributing to the global required by science scenario
5. Scenarios with specific action plans for GHG mitigation
6. Strategic evaluation of specific plans
7. Visualization of results using an interactive tool
8. Possible development of an online simulation tool



Key Elements:

Initial year for projection and time frame



Key elements: Scope



*Comercial,
public and
residential
consumptions*



Transport and urbanism



*Mining and other
industrial processes*



Generation and transport of electricity



*Forestry and land use
change*



*Agriculture, livestock
and land use change*



Waste



Key elements:

Assumptions related to key drivers

- Original proposal from MAPS-Chile Research Team
- SBT advised the formation of a working group on parameters
- Very linked with the questions of when and how to treat domestic policy measures or early actions

Key Drivers

- **GDP:** Four scenarios (pessimistic, moderate low, moderate high, optimistic, “view in 2010”)
- **Population Growth:** Projections from the National Statistics Institute, SBT recommended sensitivity analysis from 2030-2050
- **Nominal exchange rate:** analysis by Research Team together with the MoF
- **Fuel prices:** Scenarios to be estimated by the National Energy Commission and others
- Rate of adoption of **low emissions technology:** sensitivity analysis to consider a range of values

Key elements:

Treatment of domestic climate policies

- In its second meeting, the SBT requested for a proposal from the Research Team on how to treat domestic climate policies in the emissions projections

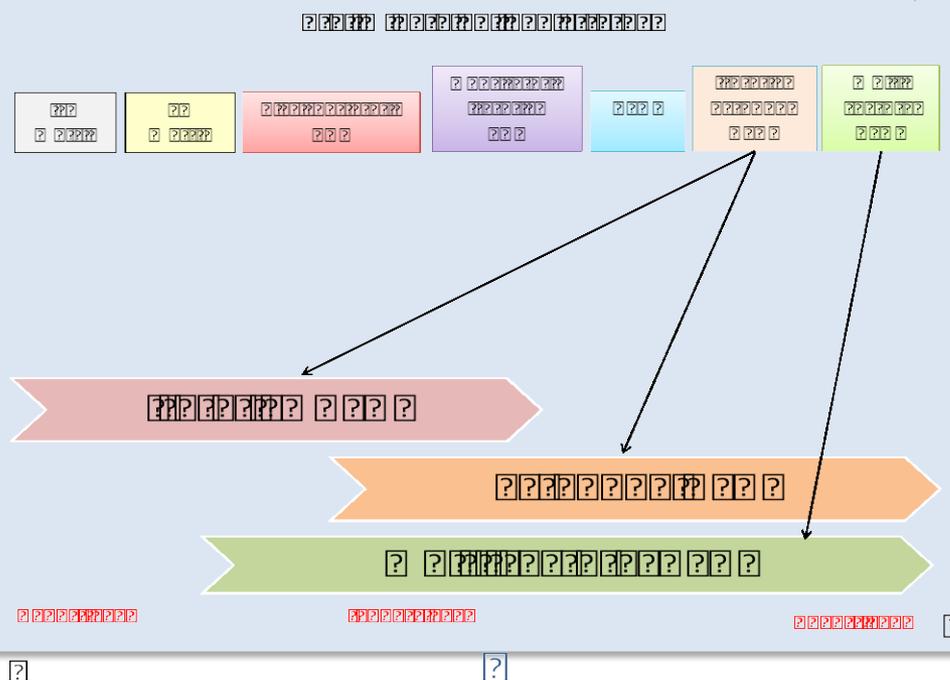
Current Proposal

- To consider a wide range of policies, programs, measures, actions that lead to GHG reductions
- To consider plans, actions and measures that had entered into force by December 31, 2006

Key elements: Modeling framework

Evolution of economic modeling over time

Top down



Bottom up

Sectorial
Analysis

Energy sector => Ex. LEAP
 Transportation sector => Ex. MODEM
 Forestry sector => Ex. Excel

Other issues

- Uncertainty and sensitivity
 - Sensitivity analysis will be carried out for ‘key drivers’ as previously described
 - Clear approach to inclusion of policies
 - The resulting portfolio of scenarios will help build international confidence
- Consultation and/or review of baseline scenarios
 - ICA of Chile’s BUR
 - Possible 3rd party analysis after the project concludes
- Updating baseline projections
 - Currently no plans to update the baseline after MAPS-Chile concludes
 - Presidential election in Chile at the end of 2013
 - Updating would require a source of financial resources

Lessons Learned (so far)

- Invest in a high level, wide-reaching political mandate
 - Ministry of Finance as the critical player
 - Focus on economic competitiveness as driving factor
- Invest in setting up a credible, transparent, process with a neutral facilitator
 - Careful stakeholder selection
 - Rules of the game
- Invest in credible, transparent state-of-the-art research



Thank you

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