



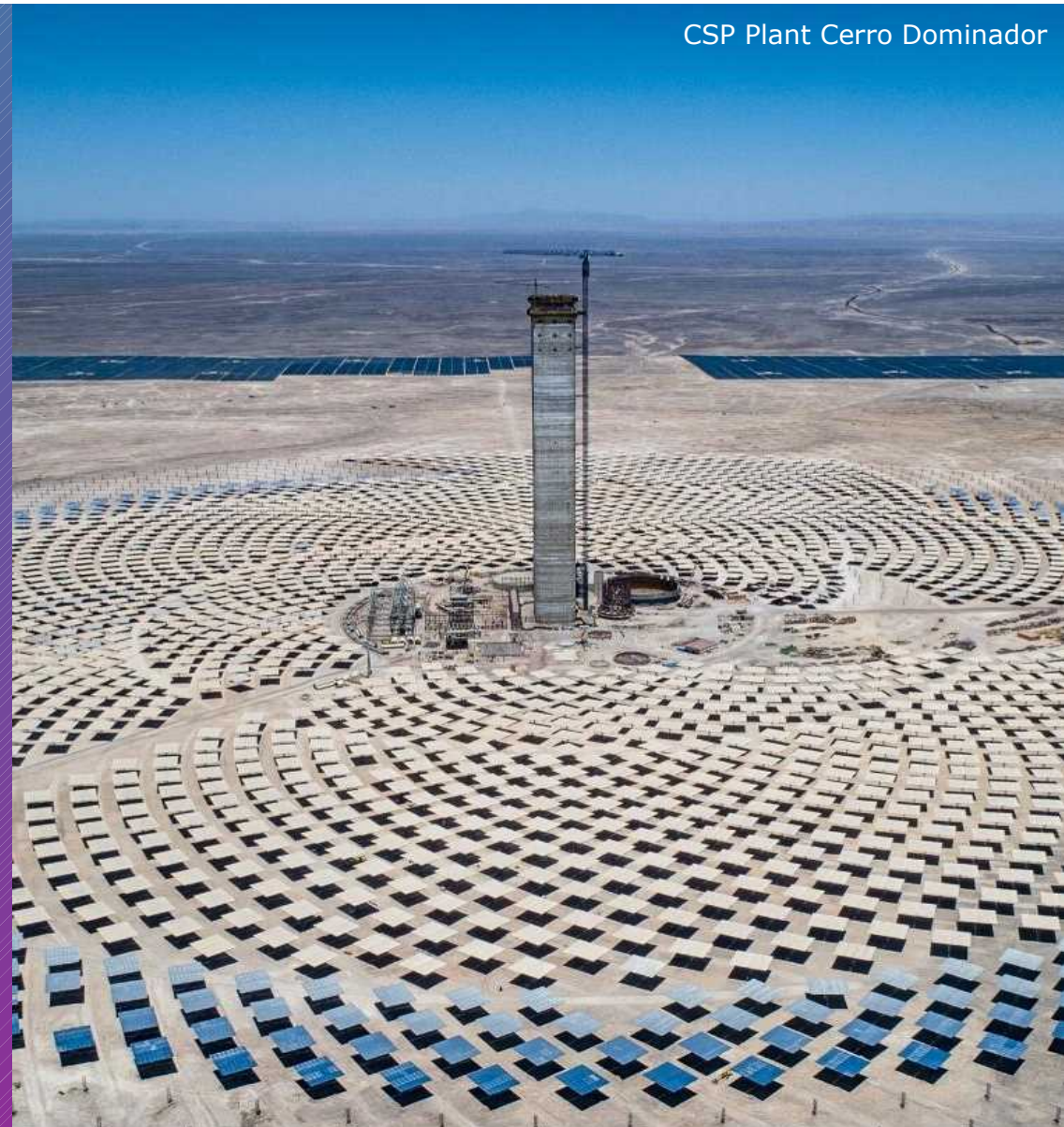
THE PATH TO CARBON NEUTRALITY AND CLIMATE TRANSITION IN VULNERABLE INDUSTRIES: OPPORTUNITIES FOR THE JCM

JUAN PEDRO SEARLE
HEAD OF CLIMATE CHANGE UNIT



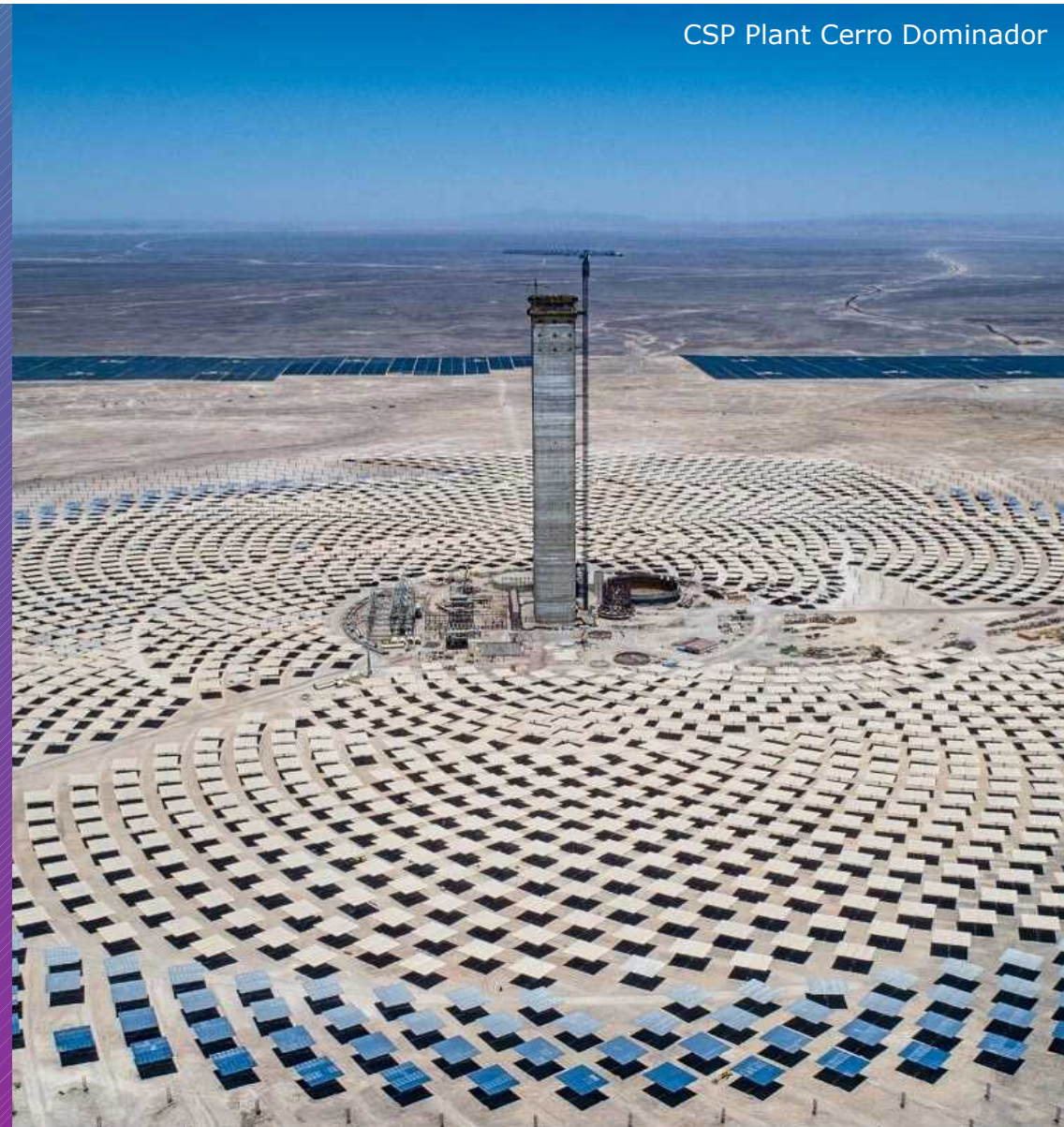
AGENDA

- I. CARBON NEUTRALITY & NDC
- II. CLIMATE VULNERABLE INDUSTRIES
- III. THE ROLE OF JCM
- IV. FINAL THOUGHTS

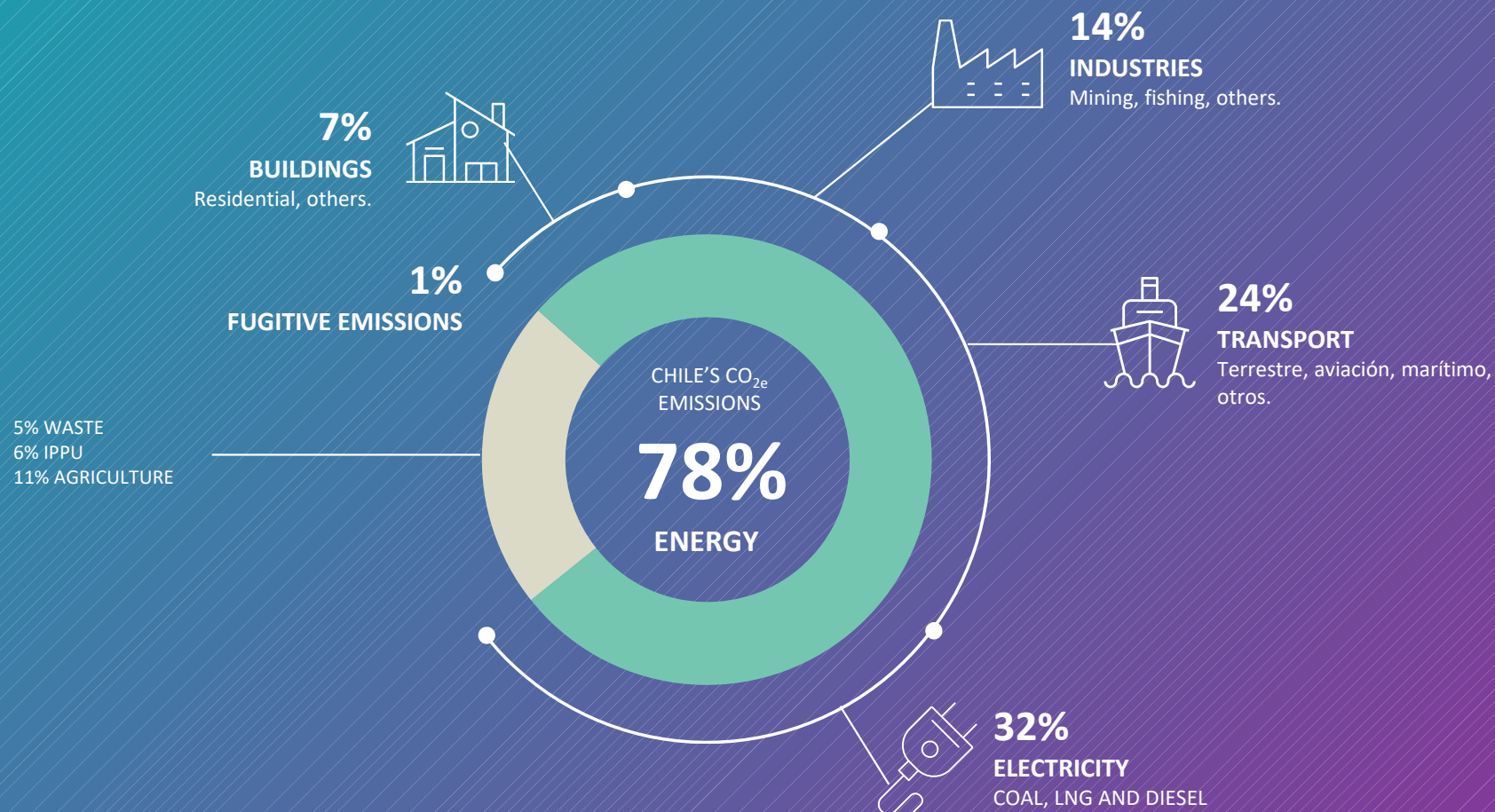


AGENDA

- I. CARBON NEUTRALITY & NDC
- II. CLIMATE VULNERABLE INDUSTRIES
- III. THE ROLE OF JCM
- IV. FINAL THOUGHTS



THE ENERGY SECTOR IS THE MAJOR CONTRUBITOR OF GHG EMISSIONS IN CHILE



CHILE HAS INCREASED ITS AMBITION

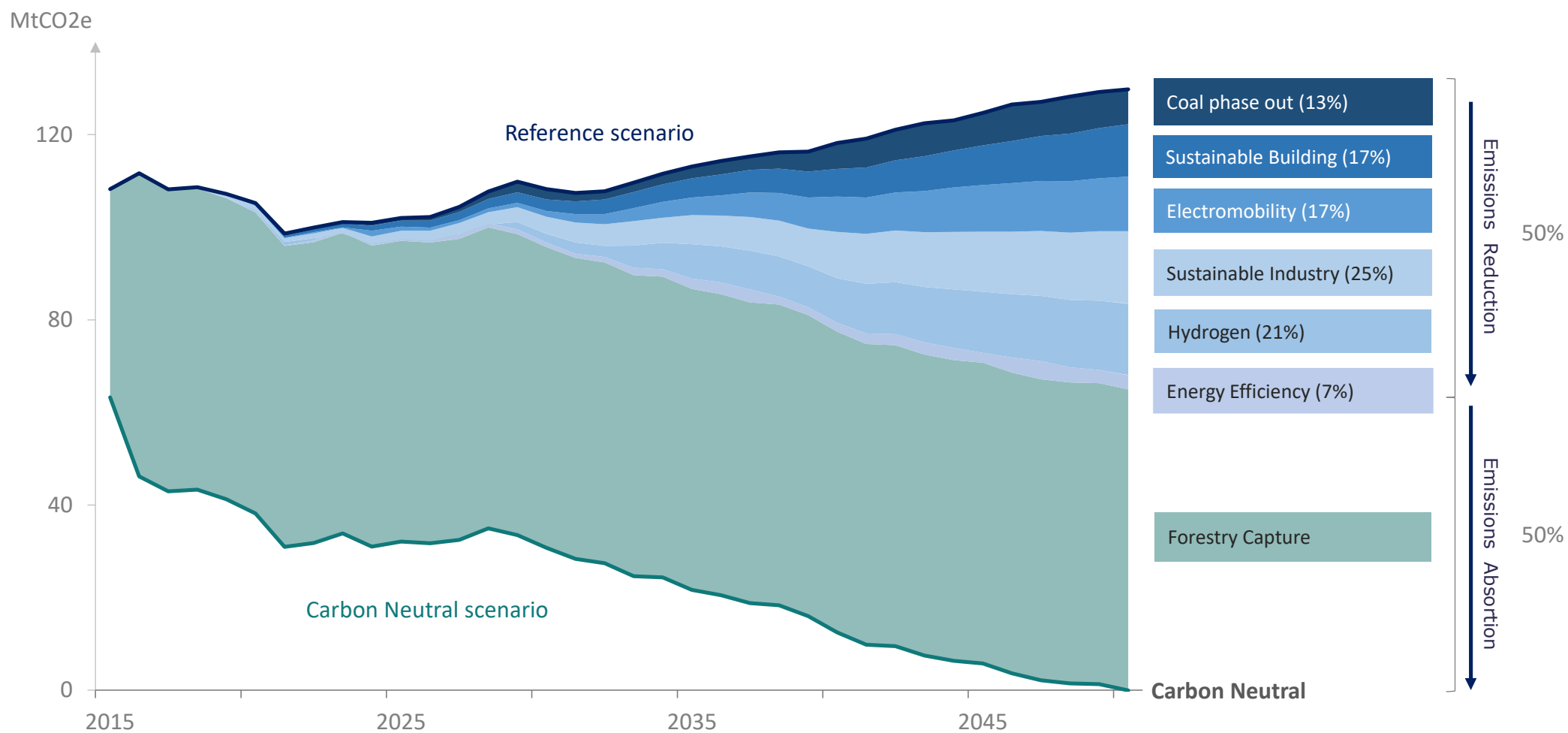


2019: Chile announced its Carbon Neutrality goal by 2050

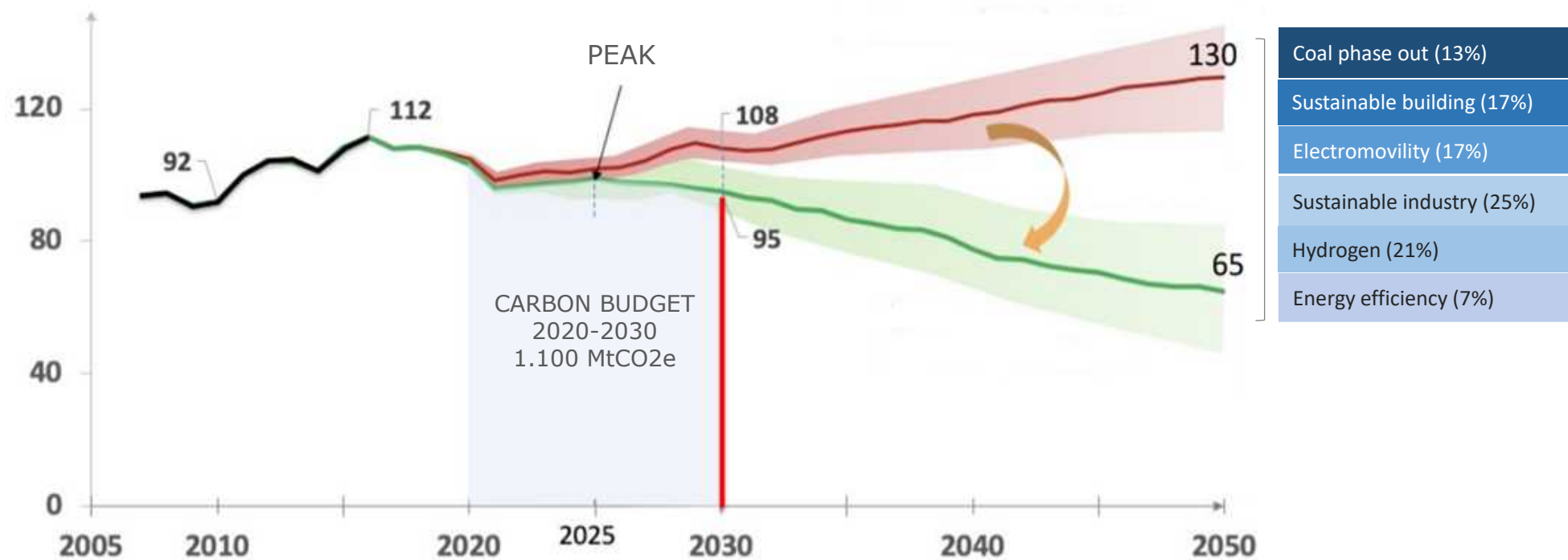


2020: Chile updated its NDC and reaffirmed its carbon neutrality goal by evaluating and prioritizing the needed mitigation actions

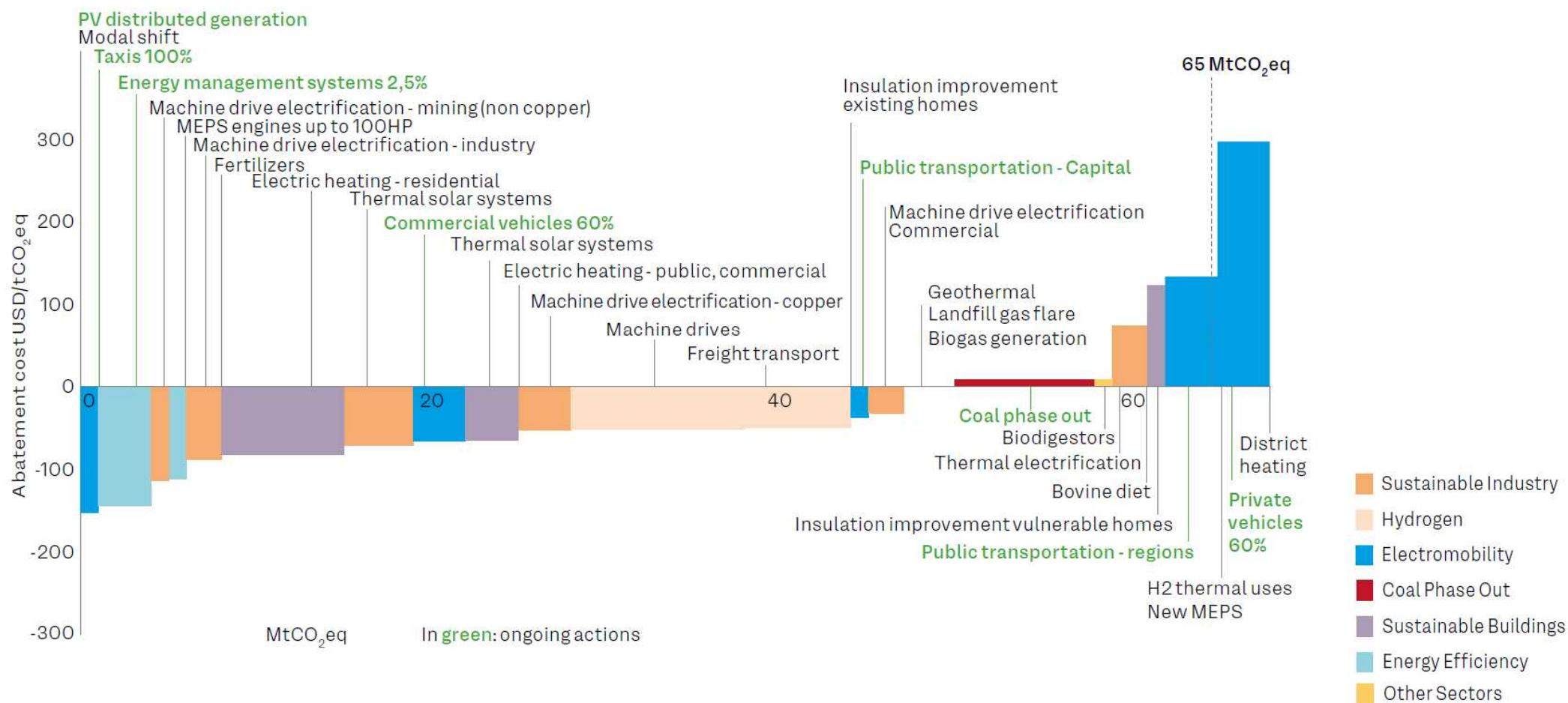
ENERGY AND FORESTRY PLAYS A KEY ROLE



OUR NDC IS A MID-GOAL TO THIS PATH

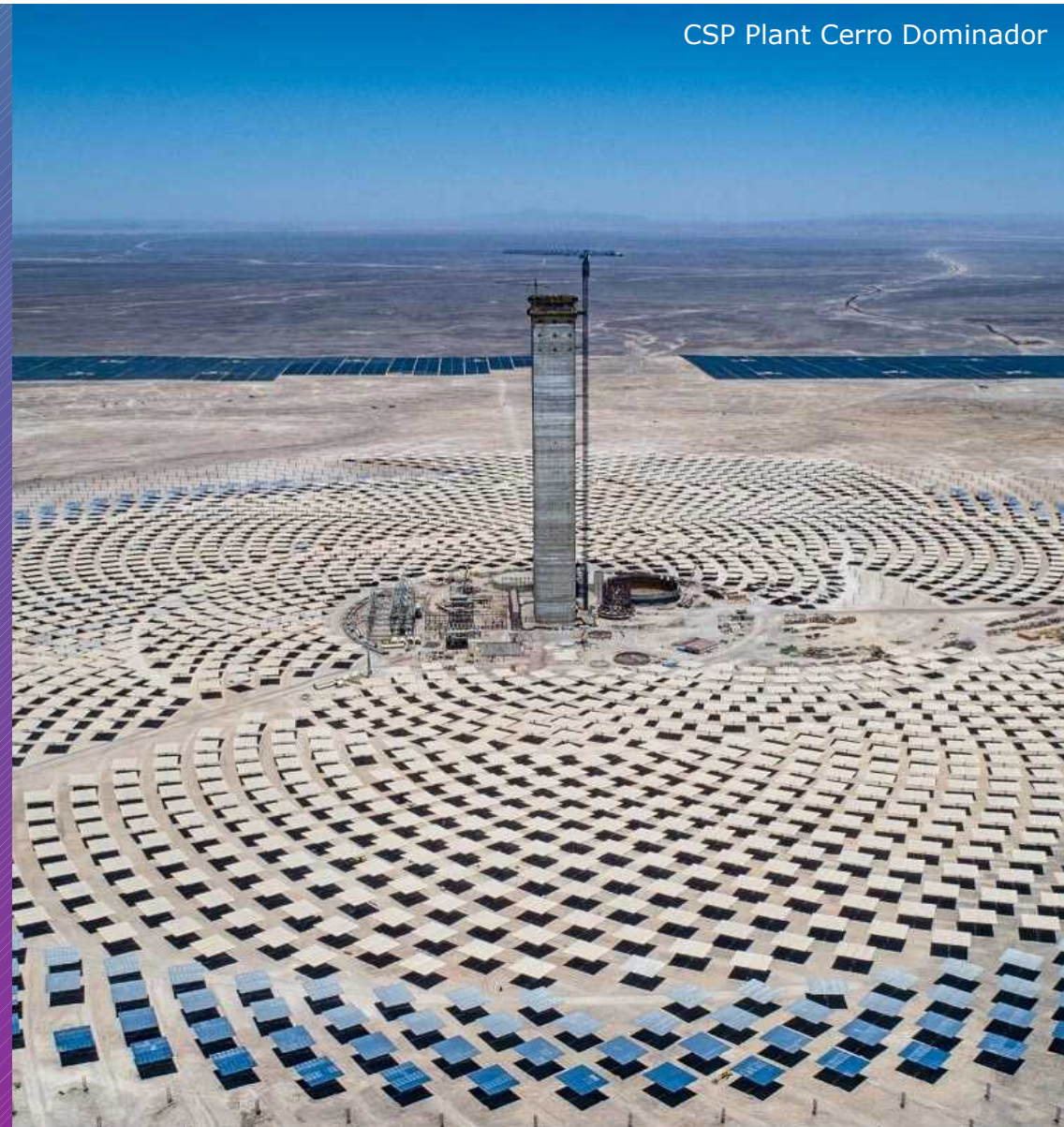


THESE ARE THE MOST COST-EFFECTIVE MEASURES



AGENDA

- I. CARBON NEUTRALITY & NDC
- II. CLIMATE VULNERABLE INDUSTRIES
- III. THE ROLE OF JCM
- IV. FINAL THOUGHTS



NOT ALL INDUSTRIES ARE PREPARED FOR THE NEEDED TRANSITION

Some Chilean industries have high climate transition risks.

An analysis¹ was made considering following indicators:

1. Trade exposure intensity
2. Energy consumption intensity
3. GHG Emission intensity

Two scenarios were evaluated:

1. No carbon pricing policy implemented
2. Domestic carbon pricing implemented



CEMENT



STEEL



MINING



REFINERIES

(1) Estudio Sectores con riesgo de transición climática, GIZ, 2018. [LINK](#)

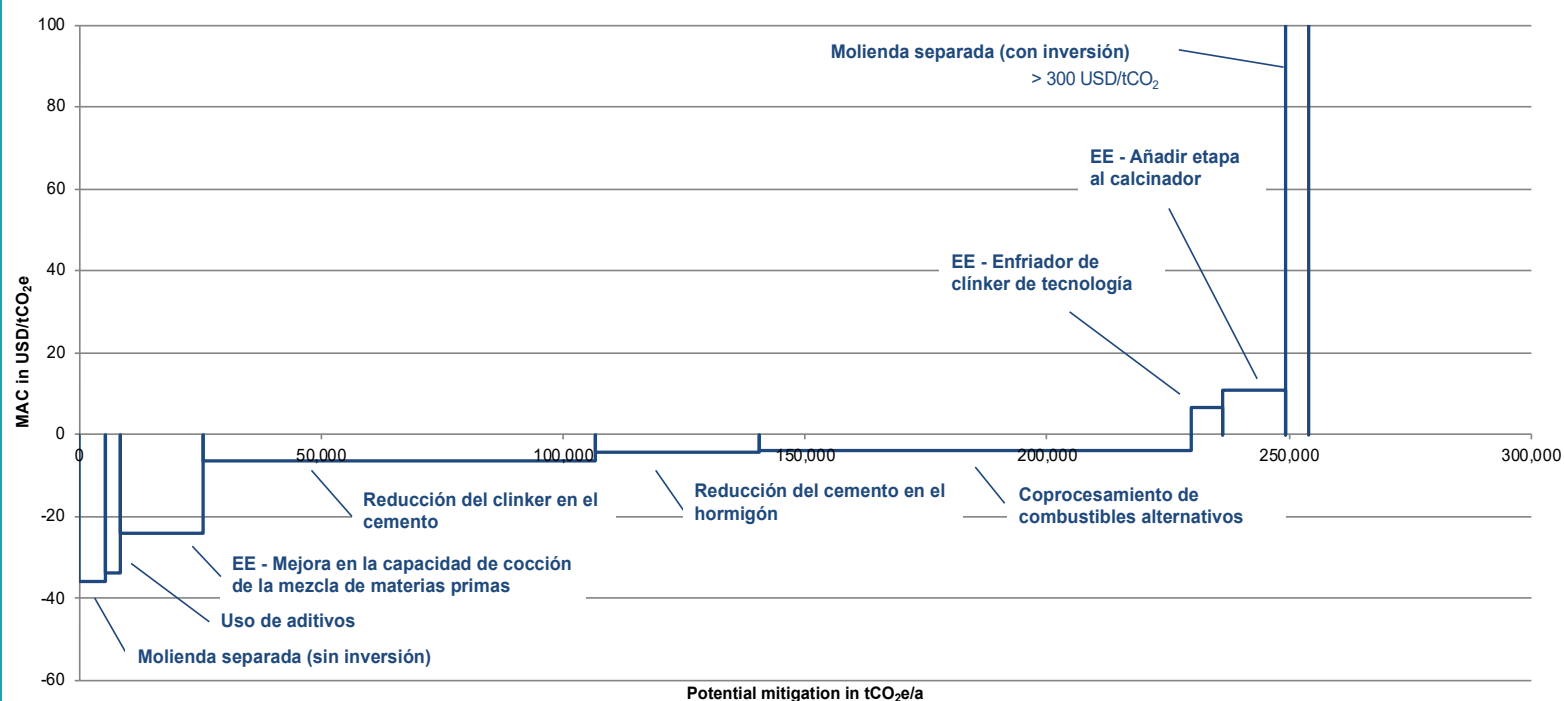
TNA – CASE STUDY: CEMENT

The Chilean cement industries don't produce much GHG emissions per ton of clinker compared to global emissions in this sector (10% lower than the world average)

This industry is highly exposed to trade (import of cement from other countries).

A TNA was made identifying mitigation actions for:

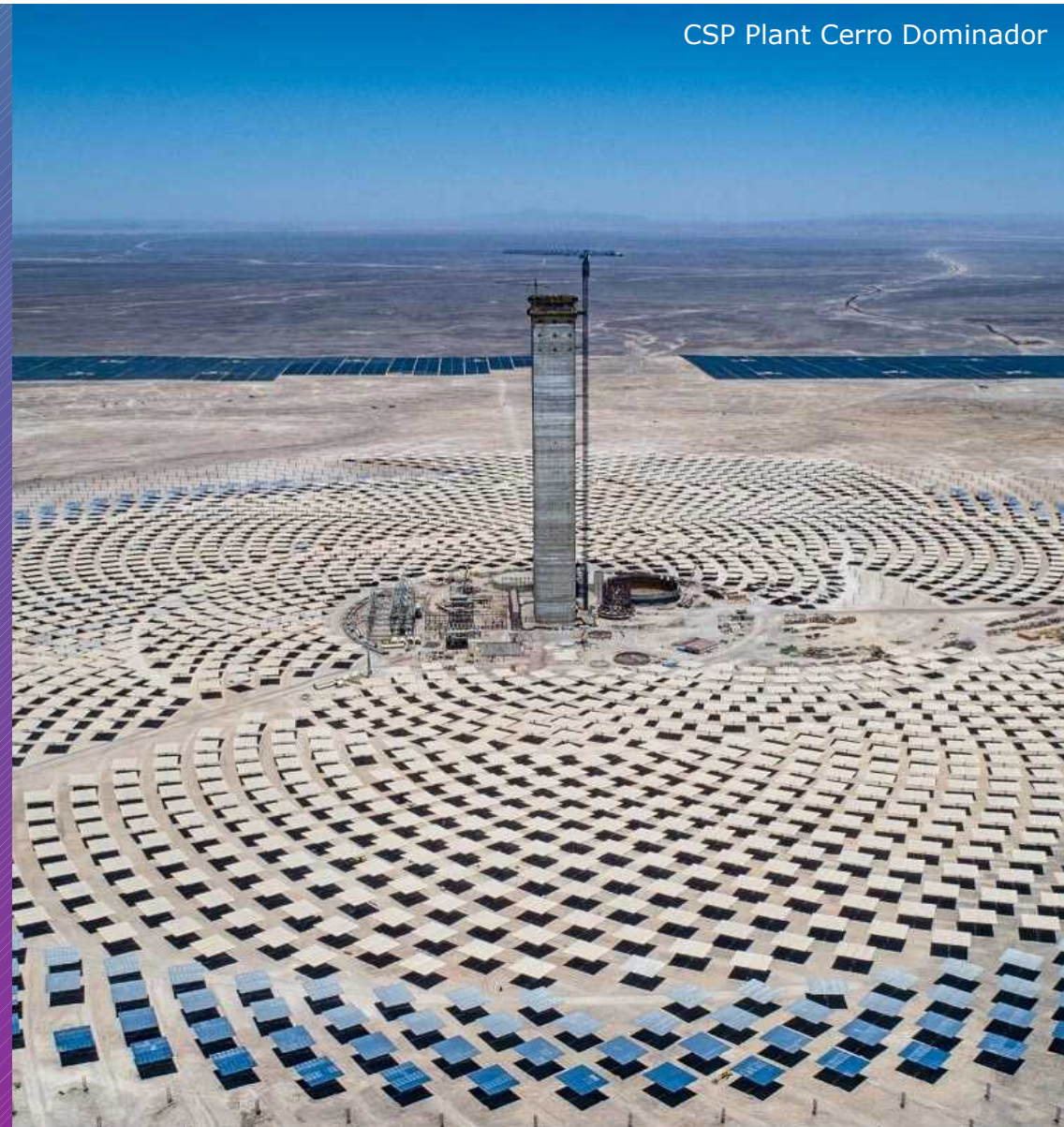
1. Clinker
2. Cement
3. Concrete



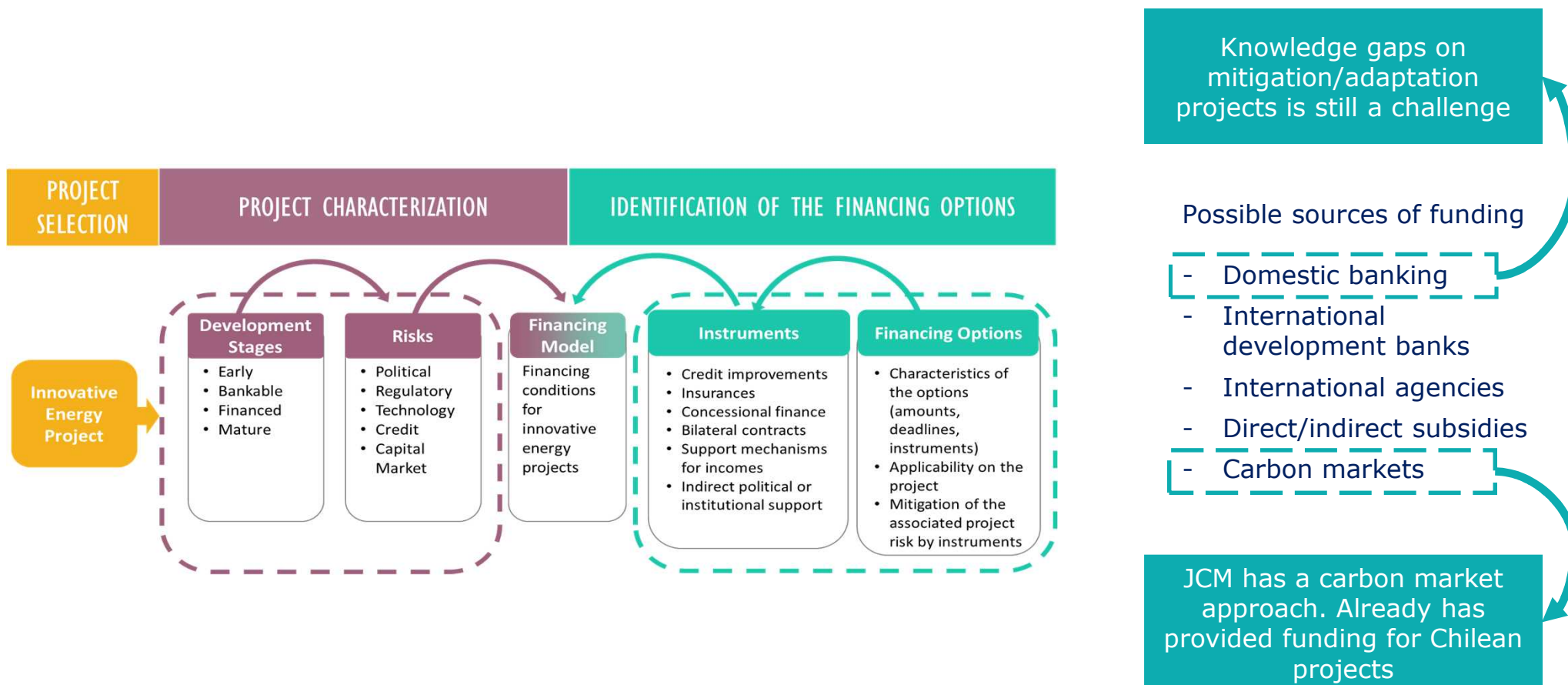
(1) Estudios Sectores con riesgo de transición climática, GIZ, 2018. [LINK](#)

AGENDA

- I. CARBON NEUTRALITY & NDC
- II. CLIMATE VULNERABLE INDUSTRIES
- III. THE ROLE OF JCM
- IV. FINAL THOUGHTS



GETTING FINANCE FOR GREEN PROJECTS IS NOT EASY

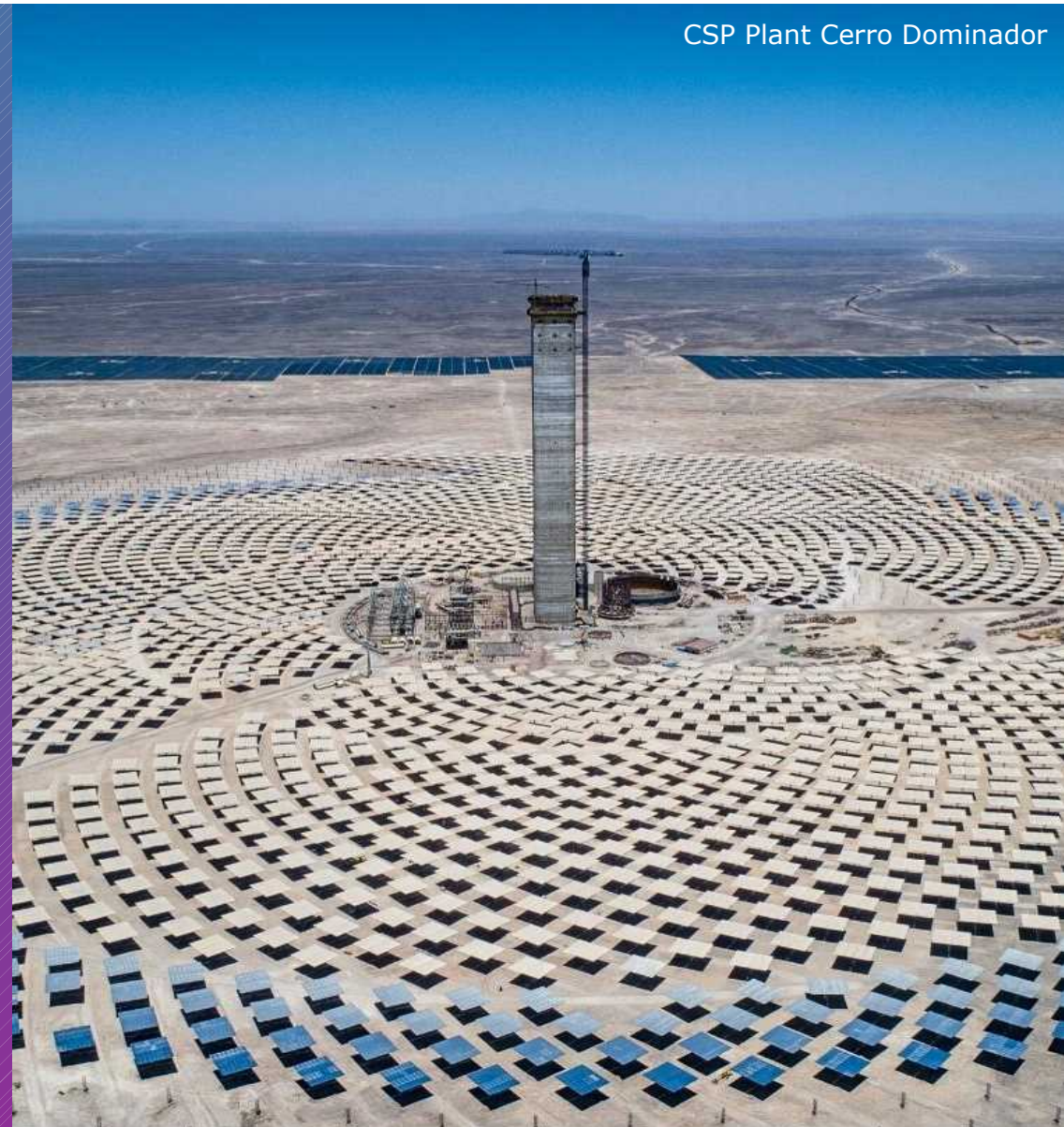


ROLE OF THE JCM IN CHILE'S PATH TO CARBON NEUTRALITY

- Assist in the transition of highly vulnerable industry (cement, steel, etc.) by piloting cutting-edge technologies.
- Help Chile in identifying a portfolio of projects (in the context of NDC and Carbon Neutrality) for which technologies and/or other barriers make them costlier now.
- Continue piloting JCM projects in the energy sector, with the aim of accelerating current trend in clean energy transition.
- Deepen Japan's and Chile's understanding of Article 6 and its link to the JCM, in order to adjust current JCM approach to be in line/comparable with the new rules (baseline approaches, corresponding adjustment, NDC accounting, etc.).

AGENDA

- I. CARBON NEUTRALITY & NDC
- II. CLIMATE VULNERABLE INDUSTRIES
- III. THE ROLE OF JCM
- IV. FINAL THOUGHTS



FINAL THOUGHTS

- JCM is a pioneering initiative with regards to international cooperation towards emissions reductions.
- It has pursued conservative baseline approaches way before this issue was on the table under Article 6.
- It promotes early involvement of the host country concerning crucial decisions for project approval and implementation (baseline and MRV methodologies).
- JCM is an effective promoter of mitigation worldwide and should continue to do so, especially as Article 6 is now in the loop.
- The experience in setting up projects and the governance framework is important for Article 6 implementation.
- JCM could be an important funding source to foster clean transition in sectors that could be highly affected by either climate emission regulations or a price on carbon.



THE PATH TO CARBON NEUTRALITY AND CLIMATE TRANSITION IN VULNERABLE INDUSTRIES: OPPORTUNITIES FOR THE JCM

JUAN PEDRO SEARLE
HEAD OF CLIMATE CHANGE UNIT





**DIVISION OF STUDIES AND POLICIES ON
ENERGY AND ENVIRONMENT**