

Challenges and opportunities for Chile in the framework of Climate Action

Guillermo Montt

Workshop on Just Transition and Decent Work in Chile

# Chile: Extractive economy with strong environmental pressure



- GDP of Chile 2018: +4%.
  - Domestic demand: +4.7%.
  - Agricultural and forestry activity: +5.8%.
  - Fishing activity (incl. aquaculture): +5.2%.
  - Mining: +5.2%
- Natural resources are a pillar of the economy but in decline (glaciers, forests, desertification, loss of biodiversity).
- Environmental pressure (MMA, 2012, 2016)
  - Atmospheric pollution
  - Water scarcity and pollution (eutrophication), degradation of water columns, seabed and coastline
  - Loss of native forest and biodiversity
  - Soil degradation

Each of these sources of pressure is an opportunity to improve sustainability and, in so doing, to implement the principles of the Just Transition.



## Climate Change National Contribution to the Paris Agreement



- By 2030, reduce its CO2-eq emissions per unit of GDP by 30% (Base 2007)
  - 35% or 45% subject to obtaining monetary contributions
- Sustainable management and recovery of 100,000 hectares of mainly native forest
  - Represent capture of 600,000 tons of CO2-eq per year
- Forest 100,000 hectares, mostly with native species
  - They represent catches of between 900,000 and 1,200,000 tonnes of CO2-eq per year.





#### Energy Sector Just Transition in the Context of CC



- ¾ of GHG emissions come from energy
  - Industry and transport account for more than ¾ of total energy consumption;
- Decarbonisation of the energy matrix
  - Dialogue process took into consideration direct and local social effects, but did not take into account the whole value chain.
  - Ad-hoc process is not systematized for other reconversion challenges
- National Energy Strategy
  - Opportunities in NCRE and water resources
  - Energy Efficiency Opportunities → Construction, Processes
  - No mention of training, enterprises, effects on employment, health and safety at work, etc

### Forest Sector Just Transition in the context of CC



- Commitment to reforestation and forest management in the framework of the Paris Agreement; Main source of emissions mitigation
- 3% of GDP, important weight of cellulose
- 120 thousand direct workers + 170 thousand indirect workers
  - Seasonal, subcontracting, high rotation
- Sustainable productive potential
  - Diversification into higher value-added production at the level of small and medium producers; production with lower environmental impact.
  - Sustainable forest management, reforestation, afforestation, research, certification
- Potential for Just Transition
  - Green jobs (incl. Decent work)
  - Health and safety at work
  - Social dialogue: Forestry Dialogue Chile

#### Agricultural, Livestock and Waste Sector Just Transition in the Context of CC



- Also sectors with GHG reduction potential
- Employment intensive sectors
- Sectors with decent work deficits
- Climate action in the framework of the Just Transition in these sectors is an opportunity to advance decent work.

#### Climate action also means adaptation



- Adaptation is also a source of work
  - Infrastructure
  - Reforestation and afforestation
- Employment opportunities in sectors with decent work deficits
  - Construction
  - Forestry
- Social protection adapted to climate risks is a first line of adaptation
  - E.g. Mobilization of resources in the face of natural disasters