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Executive Committee of the
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Implementation of the Montreal Protocol

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Corrigendum

COUNTRY PROGRAMME: CHILE

This Corrigendum is being issued to replace the following:

- first page of Executive Summary;
- page III; and
- page 30.

EXECUTIVE SUMMARY

Chile demonstrated its firm commitment to stratospheric ozone layer protection by ratifying the Montreal Protocol on Substances that deplete the ozone layer on March 8, 1990. Later, Chile also acceded to the London Amendments of the Protocol on March 12, 1992. The current document outlines Chile's proposed program to implement the Montreal Protocol.

As Chile is eligible for financial and technical assistance from the Interim Multilateral Fund, this document also presents the request for US\$ 1.206 million to finance the initial four years of the program (1993-96). ODP weighted consumption is expected to be reduced by 63% as a result of the implementation of this first stage of the program. This reduction amounts to 714 metric tons a year¹ towards 1996, and a cumulative consumption reduction of approximately 2,112 odp weighted tonnes during 1993-96.

The government of Chile has vigorously backed a series of policy initiatives aimed at achieving a sustainable economic development which prevents environmental deterioration. In line with this commitment to environmental protection, this program proposes to reduce the phaseout date of controlled substances (CS) from the year 2010 to the year 2006, thus declining to 4 years of the 10-year grace period which Chile is permitted as a party operating under Article 5 of the Protocol.

In accordance with the guidelines of the Executive Committee for the preparation of Country Programs, this document describes Chile's consumption of controlled substances and its proposed program to reduce and eliminate its use.

As of 1989, the base year of the Country Study, Chile consumed 1,120 ODP weighted metric tons of CS approximately. Of this total, 21% was consumed in CFC-11; 45% in CFC-

¹ The percentage reduction in consumption is measured with respect to 1989 figures, the base consumption year for which the Country Study was made.

63 % percentage consumption reduction targeted by this Country Program.

The Chilean government supports a market-oriented approach to economic policy. This economic development strategy has been in place successfully in the country for more than 15 years and is not expected to change. In the environmental area, this general policy framework tends to favor market mechanisms over command-and-control approaches, especially when there is enough time to implement efficient long run solutions to environmental problems, as is the case with the implementation of the Montreal Protocol in Chile today.

Consistent with the current policy framework for environmental protection, the government will avoid the imposition of import tariffs and import quotas. The government also will avoid forcing particular industries to adopt specific technological solutions. Therefore, the government will announce that imports of CS will be banned after the year 2006 except for essential uses, and will rely on the incentives generated by the Action Plan to bring about the interim reductions corresponding to the four major targets mentioned above. Consequently, the Action Plan consists of a package of incentives which is expected to generate the appropriate signals to move private energies towards the achievements of the targets mentioned above.

Five government actions constitute the essence of the Action Plan: 1) the implementation of a Technological Conversion Financing Program (TECFIN); 2) the implementation of an Ozone Seal Program; 3) the implementation of a Public Awareness Program; 4) the implementation of a Sector Specific Training Program; and, 5) the creation of an Ozone Team in the Public Sector.

TECFIN will provide a lump sum subsidy to purchase new alternative technology. The subsidy will be expressed in terms of US\$ per ODP weighted Kg of CS consumption saved over a "reduction" time period.³ The Ozone Seal Program will standardize labels on "ozone friendly" products and services. The Public Awareness Program will promote consumer

³ See section 3.2.1 for more details on the operation of TECFIN and the other government actions.

3.3 Budget

86. Table 3.3 shows a summary of the budget requirements for this Country Program. Annex 1 presents a more detailed explanation of each budget item.

Table 3.3 Total Budget Requirements for Chile's Country Program (US\$)					
Government Action	Cost 1993	Cost 1994	Cost 1995	Cost 1996	Total Cost Program
TECFIN	158,300	126,100	124,800	124,125	533,325
Ozone Seal	7,000	0	0	0	7,000
Public Awareness	227,200	81,000	51,400	-	359,600
Specific Training	115,200	0	0	0	115,200
Ozone Team	47,800	47,800	47,800	47,800	191,200
TOTAL	555,500	254,900	224,000	171,925	

GRAND TOTAL BUDGET REQUIREMENT = US\$ 1,206,000

CUMULATIVE CS CONSUMPTION REDUCTION = 2,112 ODP weighted tons
(259.3 tons in 1993; 518.5 tons in 1994; 620.3 tons in 1995 and 714 tons in 1996).

87. A few observations on the proposed budget are relevant. The Ozone Team is assumed to require equal amounts of resources every year. Although in the last year the work of the Team could be expected to be less, the Team will devote resources to prepare for a second phase of the implementation of the Protocol. Such second phase would be reflected in a revision to this Country Program. Also, additional infrastructure resources required by the Ozone Team will be provided by CONAMA, and hence they are not included in the total presented in the table.

3.4 Monitoring Arrangements

88. The Ozone Team through the STYA of CONAMA will be in charge of keeping fluid