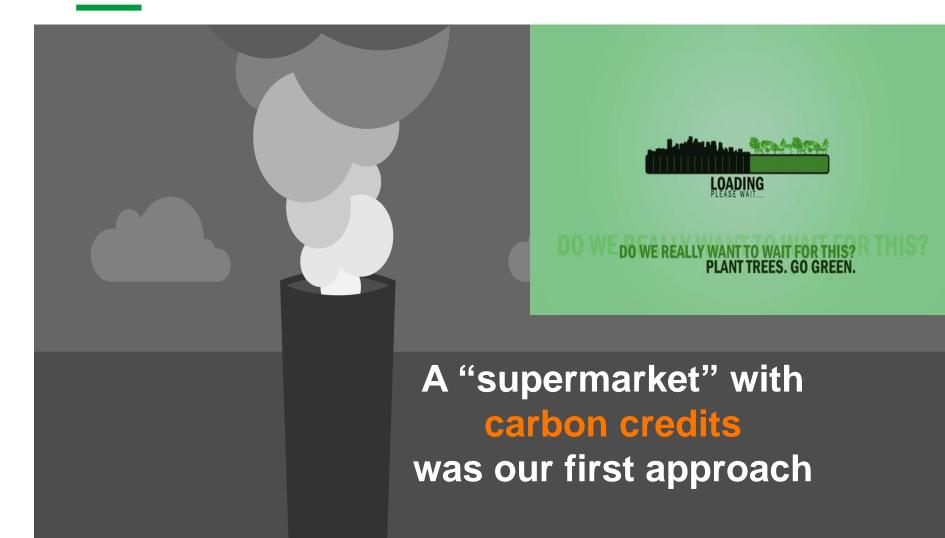


LAC Regional Workshop on Carbon Finance

Design, implementation and operation of SCX



SCX's starting point

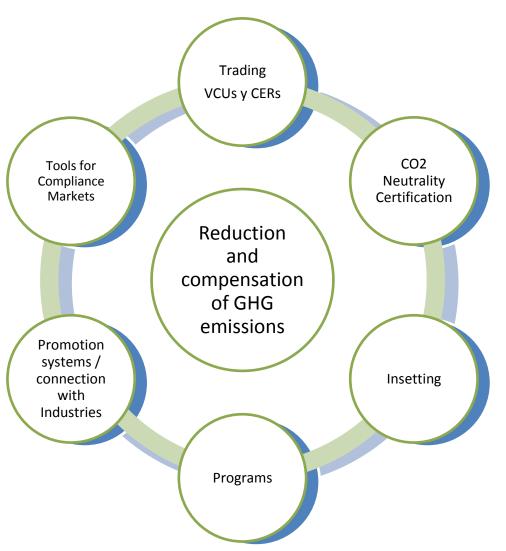




SCX TODAY

Today we run models that can support the design, implementation and operation of market based mechanisms to help transform Climate Change into a source of competitive advantage

- Learning from international experience
- Fully integrated with the national corporate reality
- Applicable to both, precompliance and compliance environments



SCX ///

SCX TODAY















SUSTENTABLE

Promotion systems / connection with Industries

VCUs y CERs

Trading

Reduction and compensation of GHG emissions

Programs

CO2 Neutrality Certification









Insetting

PARA EL MUNDO PRIMER PRODUCTO CO2 NEUTRA

UN VINO EXCEPCIONA





Tools for

Compliance

Markets

KFW

CORFO



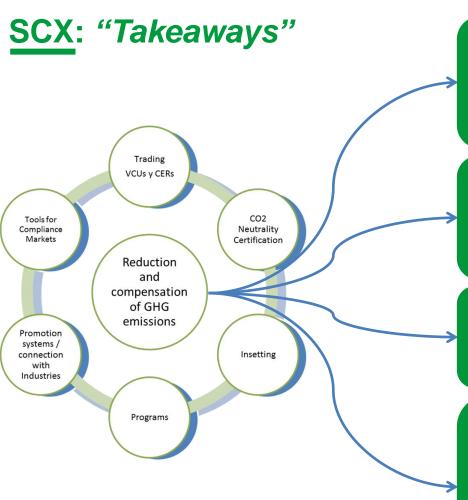








SCX ///



It isn't only about trading, is about making viable low carbon industries.

 Financial integration with the circulatory systems of the economy is required.

Design, implementation and administration of the certification systems that support a new value offer

Encourage Public-Private Integration | Partnerships which are transparent, traceable and open sourced

Opportunity for Instruments / Market Mechanisms for two periods:

- Pre compliance: performance-based incentives
- Compliance: market mechanisms which complement the CO2 Tax



carlos.berner@scx.cl

Gerente General

+56 2 2953 9348 Av. Luis Pasteur 5280, Of13,

Vitacura

Santiago

Chile

aldo.cerda@scx.cl

Gerente Asuntos

Comerciales y Corporativos

+56 2 2953 9348

Av. Luis Pasteur 5280, Of13,

Vitacura

Santiago

Chile



A REGIONAL CARBON MARKET?

INTEGRATION AT INSTRUMENT LEVEL

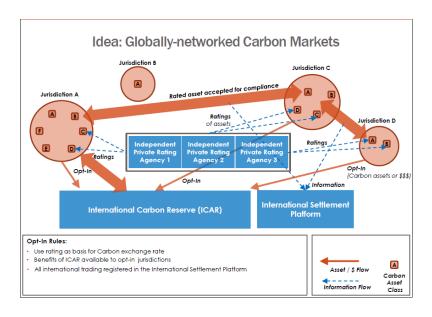
- "Happens at the end of the road"
- Requires full markets working
- Requires additional infrastructure on top of them (Political, IT, etc.)

INTEGRATION AT INFRASTRUCTURE LEVEL

- Economies of scale
- Lower operational costs
- Helps to integrate the market's "underground processes"

INTEGRATION AT GROUND RULES LEVEL

- Local Interests
- Different frameworks
- Public approaches
- Credibility based on MRV





WERE DO WE SEE AN OPPORTUNITY IN LATAM?



INTEGRATION AT INFRASTRUCTURE LEVEL

INTEGRATION AT GROUND RULES LEVEL

PRE – MARKET INCENTIVES PROGRAM

- WHAT WE "KNOW":
 - There will be targets per country some time soon
 - Most of the regulations grandfathered the companies at its early stages, "just" giving away exemptions (free allowances, lower tax rate, etc.)
 - The most common strategy for the PS is to "hold the action" related to CO2 emissions until is inevitable
- HOW CAN WE TURN ARROND THIS DELAY?
 - An incentive system/program could facilitate a transparent allocation of "grandfathered" exemptions based on performance, creating a future competitive advantage (in cost) for the private sector at virtually no cost to the public sector
 - Acknowledging the achieved emissions reduction based on strong technical protocols and 3rd party verified
 - Under a Regional Framework but connected to local needs/interests and of course respecting local sovereignty
 - Design should be done by a multidisciplinary team
 - Not only "carbon related capacities" must be included
 - Pilots at early stage



JUST AN IDEA...

