

## Case Study: Voluntary Commitments in Chile

### What are Voluntary Commitments in Chile?

Since 1998 the “voluntary commitments for cleaner production” (Acuerdos de Producción Limpia, APLs) have been an integral part of Chilean economic policy. Their objective is to motivate enterprises of different sizes in different sectors to institutionalise internal environmental protection measures and to improve the use of resources and thus raise environmental performance in participating businesses and service providers; in many cases there is still no legal basis for such action. To facilitate this process of adaptation, the Ministry of Economy has developed a large number of financial incentives. These include a fund for promoting advisory services and a fund for enhancing management capacities for implementing APLs. A special environmental credit line has been created to promote investment.

The idea of the APLs was initiated and is overseen by the Ministry of Economy, which has set up a “National Council for Cleaner Production” for this purpose. Its members are representatives of the state (environmental, health and sanitary authorities), representatives of the most important industrial associations and a representative of the national federation of trade unions.

The APLs are targeted at businesses and their associations.

### How do APLs in Chile work?

The APLs are proposed either by the members of the National Council or on the initiative of individual companies. The minimum number of companies required for setting up an APL is six. When this number is reached, a process of negotiation can begin between the initiators on the content of the measure, with the aim of jointly defining binding and reachable objectives. These objectives relate to environmental aspects as well as production, health and safety issues and the working environment. The aim is not only to implement statutory environmental regulations in a cost-effective way, but also to jointly identify and implement solutions for non-standardised areas of internal corporate activity in order to systematically promote environmentally sound production. These objectives form the basis for the binding agreement on the APL which is concluded between the state and the companies concerned. The APL includes a schedule for reaching the objectives. The first phase of implementation will last approx. three years. Achievement of the objectives is evaluated by external experts who are accredited by the National Council in accordance with statutory standards. If a company can prove that it has completely fulfilled all the objectives, it is awarded a “Certificate” from the National Council. This certificate is used for marketing purposes. However, the certificates are only recognised in Chile.

### Evaluating APLs in Chile

#### Lessons learned

Expanding the National Council by adding other actors in society such as scientific institutions, universities and the organised environmental movement could provide new impulses in relation to technology development, product design, etc.

#### Strengths

The APLs are an integral part of economic promotion policy. A national centre for cleaner production (CNPL) was set up by the state in 2000 to provide back-up for this process. In recent years export-oriented industries in particular, ranging from salmon farming to viticulture, have made a significant contribution to the introduction of environmentally friendly production methods. The number of industries taking part in the APLs and the number of companies involved has risen steadily. To date more than 4,000 companies have signed an APL.

For many companies, the implementation of an APL represents preparation for later certification under ISO 14 001.

- The National Council, whose work is supported by a team of experts, is funded directly by the Ministry of Economy.
- The APLs are voluntary by nature and the companies involved have joined them because they are convinced of their benefits. They are therefore active participants and eager for the APLs to succeed and be known throughout the country.

#### **Weaknesses**

- No legal sanctions can be taken against non-compliance with the agreed objectives.
- Often, environmental standards are negotiated for an APL which do not yet have any legal basis. It cannot be ruled out that the interests of the relevant sector of industry will influence how these standards are set down in law.
- APLs are business-oriented initiatives. Members of the scientific community or from environmental or social movements are not represented in the National Council. However their input both in terms of knowledge and support would be crucial for promoting the principle of “cleaner production” in the sense of efficient resource management and establishing it within society as a whole.
- Furthermore, successful participation in an APL is not being supported by other innovative state incentives such as favouring businesses/service providers that are APL-certified in (green) public procurement policy.

#### **Further information on APLs in Chile**

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All the APLs are described (in Spanish) on the websites <http://www.cp.cl> and <http://www.pl.cl> along with further documents about the Council and the industries involved.

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