



SUBMISSION BY GREECE AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

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Subject: Methodological guidance for activities relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries

- **Views from Parties on methodological guidance for non-market-based approaches related to the implementation of the activities referred to in decision 1/CP.16, paragraph 70**

This submission sets out the views of the EU on methodological issues related to non-carbon benefits (NCBs) resulting from the implementation of the activities referred to in decision 1/CP.16, paragraph 70, as per the invitation contained in paragraph 48 of FCCC/SBSTA/2013/3.

Key messages from the EU:

- The primary objective of REDD+ is to contribute to the ultimate objectives of the Convention as stated in its Article 2. However, REDD+ actions have the potential to also generate NCBs;
- Most of these NCBs are fundamental to the long-term success of REDD+;
- The main incentive for countries to strive for NCBs are the NCBs themselves. Hence, there is no need for dedicated payments or price premiums for NCBs under the UNFCCC;
- Parties choosing to supply information on NCBs might leverage additional public and private investments;
- While strong linkages exist between REDD+ guidance & safeguards and the NCBs following REDD+ action, the guidance and safeguards are an inherent, integral part of REDD+ whereas NCBs are additional positive results thereof;



- The EU encourages Parties to design their national REDD+ strategies or action plans to address and maximize NCBs;
- If deemed appropriate by the country concerned, its efforts to strive for NCBs could receive visibility through its Safeguard Information System and/or the REDD+ information hub.

Description, scope and typology of non-carbon benefits

As many other Parties, the EU believes that in addition to its carbon sequestration and forest carbon conservation objective, REDD+ actions have the potential to also generate NCBs. NCBs are those benefits which contribute to or differ from the carbon conservation or sequestration benefits and which are generated and / or preserved through the implementation of REDD+ action and activities. Some of these NCBs have a catalysing effect by enhancing carbon sequestration. Moreover, some are essential for the success of REDD+ by ensuring the sustainability of its results.

There are a range of potential NCBs depending on parameters such as types of forest, type of action or activity, bio-physical conditions, socio-economic and cultural circumstances, etc. and the level at which they occur (global, regional, national or local). In order to gain better understanding of this spectrum NCBs may be classified in one or more of the following four categories:

- **Social (including governance)**, such as the protection and improvement of livelihoods, stakeholders' participation, health, education, human rights, gender equality, the improvement of forest governance, land tenure clarification;
 - **Environmental**, such as the protection, conservation and restoration of biodiversity and ecosystem functioning, adaptation to climate change, including managing water stress of vulnerable forest stands, diversification of landscape structures, soil fertility, and fire prevention;
 - **Economic**, such as the preservation and enhancement of ecosystem services, and the sustained provision of forest resources;
 - **Cultural**, including the respect for religious/spiritual practices and the cultural self-identification of local communities as well as NCBs related to human well-being.
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Linkages between safeguards, non-carbon benefits and the long-term sustainability of REDD+ results

NCBs play an important role in the long-term success of REDD+. In line with the guidance set out for REDD+ activities¹ they promote its social acceptability and environmental integrity and they support and contribute to the provision of diverse ecosystem services such as the mitigation of GHG emissions and long-term carbon storage. Hence, taking them into account can provide useful help when developing and implementing REDD+ national strategies and action plans. This is in particular the case for NCBs which are the result of the implementation of the safeguards². Two examples will illustrate this point:

- Respect for the knowledge and rights of indigenous peoples and local communities (c), the full and effective participation of relevant stakeholders (d) & the reduction of the risk of displacement (g): REDD+ action and activities are less likely to have sustainable results if the people on the ground directly affected by these actions/activities cannot benefit from their positive effects or are even negatively impacted by them. This could be the consequence of the lack of consultation and involvement, but also of the displacement of certain economic activities to other areas. The safeguards referred to are intended to tackle these issues, which in turn will contribute to effective benefit-sharing and thus to the overall improvement of the livelihoods of forest communities.
- Ensuring that the actions are [...] used to incentivize the protection and conservation of natural forests and their ecosystem services (e): REDD+ actions and activities are less likely to have sustainable mitigation results if they are solely focused on carbon sequestration, regardless of other forest ecosystem services and forest resilience. This would be the case, for instance, when converting natural forests into less resilient monocultures with low biodiversity value. Respecting this safeguard has the potential to generate NCBs from all four categories, some of which in turn also reinforce REDD+ results.

Hence, the safeguards as well as NCBs both aim at and contribute to minimizing the risks and adverse impacts of REDD+ action, thereby contributing to the long-term effectiveness of REDD+ action and the sustainability of its results.

¹ Cf. Decision 1/CP.16 The Cancun Agreements, Appendix I, paragraph 1.

² Cf. Decision 1/CP.16 The Cancun Agreements, Appendix I, paragraph 2.



Nevertheless, although strongly interlinked and mutually reinforcing, the REDD+ safeguards must not be confused with NCBs following REDD+ action and/or activities. Safeguards are an inherent, integral part of REDD+ and therefore a requirement that must be fulfilled in order to obtain results-based payments. The achievement of NCBs is an additional positive result of REDD+ action above a point which is often not clearly defined.

Ways and means to promote & incentivize non-carbon benefits

The main incentive for countries to strive for NCBs are the NCBs themselves, as they

- are an additional benefit beyond the carbon benefit(s) aimed at;
- can deliver non-monetary benefits (e.g. biodiversity conservation, poverty eradication);
- contribute to the avoidance of current and future costs (e.g. avoiding soil erosion, watershed protection, adaptation to climate change);
- contribute to the maintenance and/or sustainable development of important sources of income (e.g. timber and timber products);
- can provide an alternative source of income (e.g. non-timber forest products, ecotourism);
- contribute to achieving other (inter)national commitments and goals such as those linked to the UNCBD and the UNCCD;
- are likely to attract increased REDD+ funding (public as well as private) through the improved sustainability of results and the provision of additional benefits;
- are likely to also attract other sources of funding (e.g. green investments, fair-trade or agricultural investments in forest-friendly supply chains).

Hence the EU is of the opinion that there is no need for dedicated payments or price premiums for NCBs under the UNFCCC. Moreover, at international level this would add complexity (conceptually, technically and financially) to the REDD+ mechanism, thereby complicating and thus delaying implementation of REDD+' primary objective and possibly even deviating from it.



The EU does however see merit in (encouraging) discussions on NCBs in fora with relevant mandates such as the CBD, the GCF and the FCPF and is interested to learn from pilot experiences how NCBs can be incentivized best. The EU also welcomes initiatives, frameworks and decisions which encourage NCBs such as Payment for Ecosystem Services schemes.

If deemed appropriate by the country concerned, its efforts to strive for NCBs could receive visibility through its Safeguard Information System and/or the REDD+ information hub.