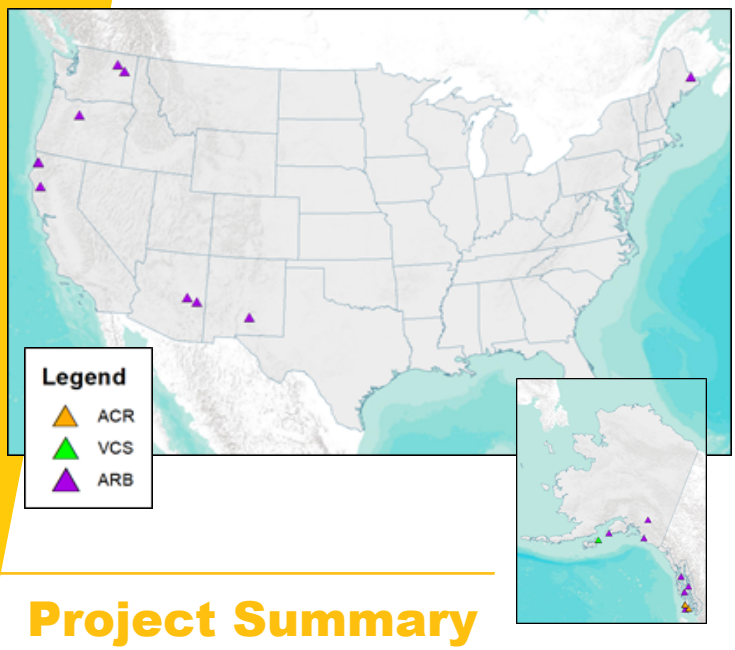
U.S. Tribal Forest Carbon Offset Projects

University of Idaho
Policy Analysis Group



Tribal Projects Overview

Forest carbon markets can be overwhelming if there is not an understanding of carbon projects and its fundamental principles such as *permanence*, *additionality* and *leakage*. A **forest carbon project is long process that requires upfront capitol and involves forests that require proper management and an accountability of biotic and abiotic risks involved. But** these markets also prove to be lucrative, especially for tribes because the values are aligned with carbon markets for the conservation of ecological resources and protection of public health (ARB).

Permanence Risk: There is not going to be a transfer of land to non-indigenous people or land conversion from forest land, this could lower the permanence risk compared to regular forest offset projects because the land is more secure as forest land (Patterson 2011).

Project Summary

	ARB	Voluntary	Total
Projects	18	4	22
Offsets (tCO_2)	82,462,015	1,772,927	84,234,942
Buffer Pool Contribution	11,768,393	220,235	11,988,628
Retired Offsets	30,714,737	-	-
Acres	1,833,256	45,587	1,878,842
Average Risk Rating	13.7%	16%	14.8%
(range)	(8.7% - 17.6%)	(10% - 17%)	

CALIFORNIA AIR RESOURCES BOARD

CLIMATE ACTION RESERVE

Verified Carbon Standard
A VERRA STANDARD

American Carbon Registry

Compliance and Voluntary Markets

Compliance markets have more rules and regulations, resulting in higher and more stable prices than compared to voluntary markets. This market has stable determined buyers that are required to buy offsets for their greenhouse gas emissions.

In **compliance** markets tribes can participate by waiving their sovereign immunity, which many tribal projects have done. This allows state governments to verify forest and fire plans to make sure they are implemented by abiding the state laws.

Whereas **voluntary** projects have only occurred in Alaska, tribes are able to enlist their land because of the **Alaska Native Claims Settlement Act of 1971.** This allows native Alaskan shareholders register their land as fee land where they can exercise jurisdiction over the land (ACR, 2017; 2.2.4).

Voluntary projects don't require waiver of sovereign immunity and there are less years of participation compared to compliance market which can be attractive tribal landowners.

Fact Sheet #13 (March 28, 2022) – Fact Sheets are based on research reports relevant to current natural resource topics.
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Barriers of Entry

The UNFCCC aims to incentivize the reductions of carbon emissions but for indigenous peoples whose livelihoods rely on their lands, these programs for carbon projects can also have high **barriers of entry** that might outweigh the benefits from a forest carbon project (Patterson 2011).

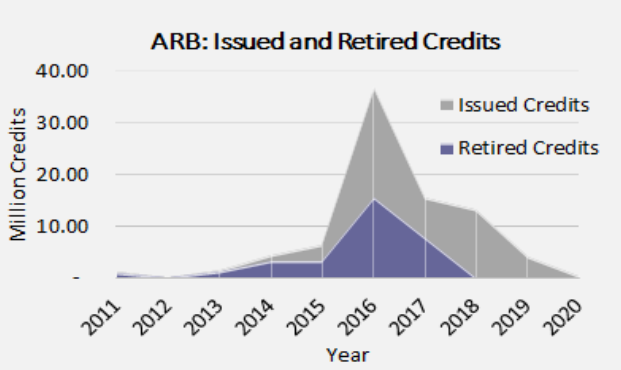
High transaction costs: project development is usually done by a third party but can be completed inside the tribe. The *measuring*, *monitoring*, and *verification* can have higher costs for small land owners because less credits credited but no decrease of transaction costs

One solution is to **Aggregate** land to combine costs can help the cost barriers (Patterson 2011). Aggregation can be more effective because:

- It's more attractive to buyers to buy larger sums of credits
- Payment is in one lump sum
- Cost is a percentage of when credits are issued so there are no upfront costs

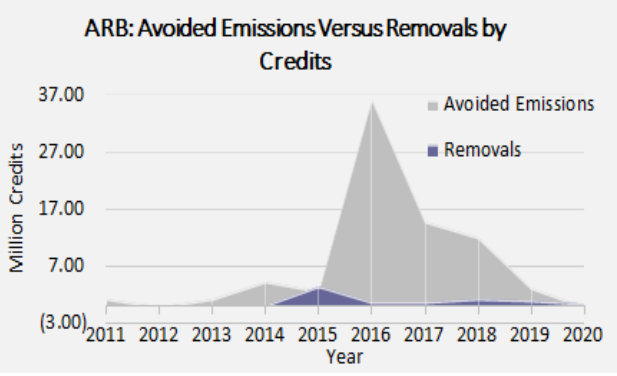
The project owner needs to grant permission to a project developer or aggregator for the rights to access their land, this is done through easements. **Gaining easements** on tribal land is more complicated than non-tribal land, this is because regulatory oversight and approval is required by the **Bureau of Indian Affairs** for easements seven years or longer. This can dissuade tribes from participating in the voluntary forest carbon offset projects because projects are longer than seven years (25 U.S.C 81).

Credits Awarded



Issued Credits: Represents one metric ton of CO_2 from the atmosphere

Retired Credits: Purchased credits that are taken off the market, so the purchaser can claim to have reduced emissions



Avoided Emission Offsets: Initial credits issued, usually larger number because of previously established timber

Removal Offsets: Credits that are issued yearly due to yearly growth of the project area

Data was acquired from the ARB, ACR, CAR, and VCS public registries up to the 2020 vintage year. Completed in March 2022.

Patterson, K., 2011. Overcoming barriers to indigenous peoples' participation in forest carbon markets. Colo. J. Int'l Envtl. L. Pol'y 22, 417–444.