



NEZ PERCE TRIBE

CARBON SEQUESTRATION PROGRAM

Over a decade ago, the Nez Perce tribe recognized the value of carbon sequestration on forested lands as a means to preserving natural resources and generating jobs and income, while simultaneously reducing the amount of greenhouse gases emitted into the atmosphere.

In the mid to late 1990's, the Nez Perce Forestry & Fire Management Division began developing a Carbon Offset strategy to market Carbon Sequestration Credits. The tribe planned to reinvest revenue from the sale of carbon to acquire previously forested lands and then replicate the process with additional afforestation projects (planting trees on land that was not previously forested). This effort would also contribute to the tribe's goal of acquiring former tribal lands. Subsequent carbon offset projects have included wildfire rehabilitation (restoration of forests heavily damaged by wildfire) and forest development (reforestation where past forest regeneration practices failed).

This first trial afforestation project became known as the "Tramway Project" based on its' location to a historic tram system that had been located on the property. This tramway system transported grains grown on the prairie from the rim of the canyon to the river below. The purpose of this initial project, about 400 acres in size, was to establish marketable carbon offsets, develop an understanding of potential carbon markets, and cover the costs of project implementation and administration.

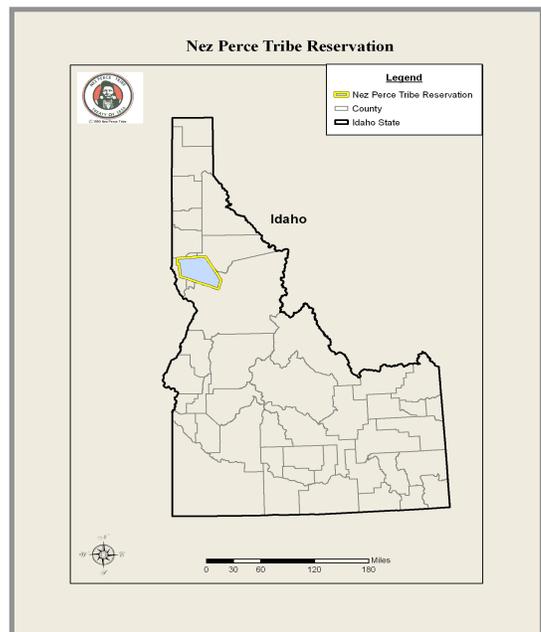
After negotiations with the first potential aggregator and buyer fell through, the tribe began to expand planning efforts to include land acquisition and project replication. During this time the tribe was also working with the Montana Carbon Offset Coalition (MCOCC), now known as the NCOCC (National Carbon Offset Coalition) and the Chicago Climate Exchange (CCX). As the CCX, carbon markets and the world

About the Nez Perce Tribe

The Nez Perce Tribe is a federally recognized Tribe by virtue of the treaties with the United States Government in 1855 and 1863. There are currently 3,508 enrolled members of the Nez Perce Tribe. In 1855, the US Government entered into a Treaty with the Nez Perce, securing 7,787,000 acres in exchange for outlying areas of Tribal domain. With the discovery of gold in 1860 on the Reservation, the Treaty of 1863 diminished Tribal lands to about 756,958 acres. Under the Dawes Act of 1887, Reservation land was allotted to individual Tribal members. The Tribe reserved 32,020 acres to be held in common, and about 175,026 acres in 2,009 allotments were allotted to individual Indian ownership. The Tribe ceded approximately 549,559 acres to the United States.

In 1895, the Reservation was opened to homesteading, resulting in non-Indians owning parcels of fee-patented land within the Reservation and adjacent to Indian-owned allotments, creating a checkerboard pattern of land ownership on the Reservation. During the early 1900's much of the land owned by individual Indians was sold or transferred out of Indian ownership. By the 1960's, Nez Perce individual allotment lands totaled only 57,062 acres compared to the original allotment holdings of over 175,000 acres (Babcock et al. 1991). Tribal trust, purchase and allotted lands account for approximately 14.6% of the land within the 1863 Reservation Boundary. Other lands on the reservation are owned by private individuals and federal and state agencies.

The Tribe has been engaged in re-acquiring former tribal lands on the reservation. The Nez Perce Indian Reservation is located along the Clearwater River of Northern Idaho. Elevations range from less than 800 feet above sea level on the Clearwater River at Hatwai Creek, to nearly 5,000 feet above sea level on the Salmon River Divide. Nez Perce Tribal forest lands are located both within the 1863 Nez Perce Reservation boundary and in the Craig Mountain area.



of carbon offsets evolved, so did the Nez Perce carbon portfolio, eventually reaching the present status of 33 different projects in 2 different portfolio's covering approximately 3,375 acres of land.¹

Project Implementation

Since the initial planting of the Tramway Agricultural Conversion / Afforestation Project, the Nez Perce have greatly expanded the program to include several other agricultural conversion projects as well as two additional types of projects, fire rehabilitation and forest development (defined earlier in the document). These projects are now separated into two different carbon offset portfolios, one portfolio containing only the afforestation (agricultural conversion) projects and the other portfolio containing the fire rehabilitation and forest development projects. It is this second portfolio (approximately 65.3 % of the 3,375 total acres discussed earlier) that was committed to the CCX with the help of the NCOC. In July 2007, the Nez Perce Tribe signed a Contract with the NCOC and the CCX (for credits from 2003 – 2010 on approximately 2,205 acres) and had the first actual sale in December 2007. This contract will expire December 31, 2010.



Nez Perce Post Hole Project - Before



Nez Perce Post Hole Project – 5 years later

The balance of the total acreage, contained in the other portfolio, has not yet been sold or committed. As these forests grow and continue to sequester carbon, and if early action credits are included in national legislation, and if subsequent sales are made, the tribe will then use this revenue to reimburse other programs for the implementation costs of the initial project and use the remainder of the revenue to replicate the project.

Assessing and Monitoring the Impacts of Climate Change

The Nez Perce Tribe indirectly monitors the impacts of climate change through inventories of natural resources. Forest health conditions are monitored over time through a network of permanent growth plots that are used to determine tree growth, yield, mortality, and insects and disease activity. These plots were initially established in 1985, and are re-measured on a ten-year cycle. Drought cycles have a direct effect on tree growth and mortality rates. In addition, the tribe documents the frequency and severity wildfires, assesses the condition of vegetation in relation to historic conditions, and monitors stream flows, water yield, and water temperature.

¹ The Chicago Climate Exchange (CCX) operates North America's only cap and trade system for all six greenhouse gases, with global affiliates and projects worldwide. Goals of CCX are to facilitate the transaction of GHG allowance trading with price transparency, design excellence and environmental integrity; build the skills and institutions needed to cost-effectively manage GHGs; facilitate capacity-building in both public and private sectors to facilitate GHG mitigation; strengthen the intellectual framework required for cost effective and valid GHG reduction; and help inform the public debate on managing the risk of global climate change. (<http://www.chicagoclimatex.com/>)

Project Successes and Challenges

Accomplishments / Successes of the project have been many. In addition to the goals already mentioned above, an over arching goal of the Nez Perce Tribe has always been restoration. Restoration of the project site to its historical and forested condition includes many environmental, social, and cultural ancillary benefits. These benefits include, but are not limited to, improved water quality through watershed protection, reduced soil erosion and sedimentation, which improves fish habitat in the river below, and the restoration of wildlife habitat. Social benefits would include employment opportunities for tribal members associated with tree planting and the application of seedling protection materials, as well as thinning jobs in the future. Cultural benefits include gathering of traditional roots, berries and medicinal plants as well as recreational activities. Recently, as the carbon markets have softened and actual project development has slowed, the tribe cites as its biggest accomplishment in the last two years; the increased awareness and education of other tribes of the Carbon sales process and opportunities for more carbon sequestration projects in Indian country.



Nez Perce Tramway Project - Before



Nez Perce Tramway Project - After

The Nez Perce Tribe has encountered many challenges in dealing with the complex and evolving markets for forest carbon offsets. Overall the initial challenge of learning and understanding the terminology and convoluted process required to engage in carbon offset markets, as well as identifying partners and resources was daunting and required a lot of time and commitment. The uncertainty within the United States and lack of federal legislation on climate change has reduced the current value of carbon and the willingness of the tribe to invest in carbon offset projects.

A growing number of firms specializing in developing forest management strategies to quantify and market carbon offsets using the various and evolving carbon registries or standards are contacting tribes with the desire to capitalize on the vast area of tribal forest lands across the country. There is reluctance among tribes to trust outside firms interested in developing plans for tribal forest lands, verifying existing tribal forest inventories, certifying tribal forest management plans, and brokering the carbon offsets.

Many tribes have competent inventory and planning departments fully capable of determining carbon inventories and developing local management strategies to enhance carbon sequestration, but need a clear set of guidelines rather than the evolving array of registries and associated standards currently used to quantify carbon so that projects can be implemented with consistency and confidence. Stability in the price of carbon is also needed to justify investment and minimize risk. Speculation that the price of carbon offsets will significantly increase if legislation is approved has created a reluctance to sell at prices where the cost of project development, forest certification, third party verification, and brokerage fees account for a significant portion of the potential revenue. A general recommendation based on experience to date is to become educated and involved, but wait until legislation materializes and markets mature.

Key Partners

Currently, all carbon projects to date have been initiated within the Nez Perce Forestry Division. The Nez Perce Tribal Forestry Division has interacted with several carbon offset organizations over the past 14 years. It began with the Upper Columbia Resource Conservation & Development Office in the late 1990's and that led to negotiations on a Carbon Offset Contract with a firm in the Midwest that eventually fell through. During this same time period, the Nez Perce Tribe also began working with the National Carbon Offset Coalition (NCOC), the U.S. Dept. of Energy (DOE), and the Chicago Climate Exchange (CCX). Those working relationships grew and eventually lead to the Nez Perce being included in the U.S. Dept. of Energy's Regional Carbon Sequestration Partnership Initiative Grant (Northern Rocky Mountain and Great Plains Region) – Phase I and II. Funds from this grant enabled the tribe to help educate themselves and other tribes. These continued relationships eventually lead to the tribes' first Carbon sale with the NCOC as the Aggregator and the CCX as the purchaser.

Another organization, the Environmental Defense Fund, contacted the tribe about their afforestation efforts and offered the Nez Perce the opportunity to be a consultant in evaluating criteria in the book "Harnessing Farms and Forests in the Low-Carbon Economy, How to Create, Measure, and Verify Greenhouse Gas Offsets". It was this funding that really expanded the tribes knowledge of Carbon markets outside of the CCX. Additional partners have included the Bureau of Indian Affairs (BIA) and the State of Idaho. Additionally, the Nez Perce Tribe sits on the Governor's Carbon Sequestration Advisory Committee.

References and Resources:

- Tramway Carbon Sequestration and CRP Project. PowerPoint Presentation. www.scc.idaho.gov/PDF/Carbon%20Sequestration/PowerPointSlideshows/NezPerce_TramwayCSProject.pdf
- Carbon Sequestration Activity on the Nez Perce Reservation. National Wildlife Federation Tribal Energy Solutions to Climate Change Workshop. Billings, Montana. April 2008. www.tribalclimate.org/PDFsBillings/Pres-Kummet.pdf
- Tribal Carbon Sequestration Workshop: <http://www.tribalclimate.org/NezPerce.html>
- Big Sky Carbon Sequestration Partnership: <http://www.bigskyco2.org/>
- Chicago Climate Exchange: <http://chicagoclimateexchange.com/>
- National Carbon Offset Coalition: <http://www.ncoc.us/index.htm>
- Robbins, Jim. May 8, 2007 Sale of Carbon Credits Helping Land-Rich, but Cash-Poor, Tribes. www.nytimes.com/2007/05/08/science/earth/08carb.html

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Tribal Climate Change Profile Project:

The University of Oregon and the USDA Forest Service Pacific Northwest Research Station are embarking on a project to develop tribal climate change project profiles as a pathway to increasing knowledge among tribal and non-tribal organizations interested in learning about climate change mitigation and adaptation efforts. Each profile will illustrate innovative approaches to addressing climate change challenges and will describe the successes and lessons learned associated with planning and implementation. Funding to develop this project profile was provided by the USDA Forest Service Pacific Northwest Research Station. For more information, contact:

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