What Is a Carbon Credit? A New Way to Value Land Stewardship:

Nature-based climate solutions bring financial value to local communities through the sale of carbon credits. Where many economically driven management practices are extractive, finding value in harvesting timber, drilling for oil, or mining for minerals, climate solutions are different. Instead, nature-based climate solutions generate income over the long term by sequestering carbon in healthy ecosystems. By being generative, rather than extractive, the implementation of nature-based climate solutions can play a significant role in helping Tribal Nations and Indigenous communities build restorative economies.

Climate solutions that sequester carbon, also known as carbon projects, are named for their impact on the climate crisis. Carbon projects sequester carbon year after year, directly offsetting the emissions which companies and manufacturers send into the atmosphere. Carbon is sequestered in these projects through the diverse flora across the project area (ranging from black ash to kelp). Once implemented, carbon projects generate an annual number of carbon credits equivalent to the amount of carbon sequestered into enrolled ecosystems that year. *But what even is a carbon credit?*

A carbon credit represents one (1) metric ton of carbon dioxide ($MTCO_2e$) sequestered and stored within an enrolled project. But the ecosystems where carbon projects occur constantly take in carbon through photosynthesis, so not every ton of carbon in an area can be considered a carbon credit. Instead, when a carbon project is developed, a team of forestry professionals prescribes a management plan for the enrolled lands. The plan will improve habitat health while increasing carbon sequestration rates.

These management decisions, called interventions, produce measurable differences in ecosystem health throughout the lifespan of the carbon project. At intervals throughout the project, the forestry team will access their own work and compare the growth rates of trees, grasslands, and other species with those in unenrolled areas. This takes place every year, with an on-the-ground visit every five years to ensure accuracy. When they make this comparison, the forestry team can determine how much additional carbon has been stored in the enrolled area compared to the

unenrolled area. After calculating the difference, every ton of carbon that is *additionally stored* in the enrolled area can be recognized as a carbon credit.

But carbon project developers, forestry professionals, and the larger carbon market want to maintain the highest level of quality and integrity in this work. Therefore, the same forestry teams who prescribe the original Forest Management Plan can't also be the only foresters who calculate the area's growth over time. Verification professionals work with foresters and carbon project developers to check the math and ensure that every carbon credit sold can be tracked back to carbon sequestered within a project.

Carbon credits play a critical role in the long-term stewardship of our planet. The technology necessary to reverse the damage of climate change and severe weather has not been fully developed. Nature is our best solution to increase global climate resiliency while slowing Earth's warming. Developing a deeper relationship with our planet and investing in the balance of nature is the most direct route towards a healthier future.

As experts continue to research ways to reverse our climate impact, companies are trying to maintain a low-emissions profile. Many manufacturers are doing everything in their power to reduce their emissions, from investing in clean energy to reducing single-use waste. However, those same companies are still annually responsible for a certain amount of carbon entering the atmosphere and causing adverse effects on our climate. To balance this negative impact, these companies are willing to invest in carbon projects that sequester and store a comparable amount of carbon in natural spaces.

Many of the land management decisions that are used for carbon projects, such as the treatment of invasive species and reintroduction of native wildlife, are practices that Tribal Nations and Indigenous communities have taken part in for millennia. Stewardship aligned with Traditional Ecological Knowledge (TEK) creates healthy ecosystems, and healthy ecosystems sequester carbon.

Carbon markets are creating an opportunity for Tribal Nations and Indigenous communities to fully fund their TEK and ecosystem stewardship practices. Funding these practices can decrease the financial pressure that pushes communities to timber their forests or harvest minerals (both extractive and destructive activities).

National Indian Carbon Coalition

Tribal Nations and Indigenous communities across the United States have implemented carbon projects on their forestlands, generating millions of dollars which have been used to reclaim ancestral forests, build Tribal Schools, and scale the community's energy grid.

Restorative economies can bring global opportunities to Tribal Nations and Indigenous communities. If your Tribal Nation or Indigenous community is ready to explore carbon markets or has questions about nature-based climate solutions, NICC is available to support your journey. To learn more, visit the National Indian Carbon Coalition at www.indiancarbon.org, call us at **(651) 766-8999**, or email info@indiancarbon.org. We are here to stand by your side today and for the future.