

FINAL CCBA PROJECT VALIDATION REPORT

DUCKS UNLIMITED AVOIDED GRASSLAND CONVERSION PROJECT PRAIRIE POTHOLE REGION, USA

THE ECO PRODUCTS FUND

MARCH 27, 2009



Photo courtesy of Ducks Unlimited

Validation Conducted by:

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1.0 INTRODUCTION

This report presents the findings of an audit conducted by Scientific Certification Systems, Inc. (SCS), to validate the claim made by The Eco Products Fund that the *Ducks Unlimited Avoided Grassland Conversion Project in the Prairie Pothole Region* conforms to the Climate, Community and Biodiversity Project Design Standards (First Edition). SCS has been accredited by the Climate, Community & Biodiversity Alliance (CCBA) to perform such validation audits.

1.1. Contact Information

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1.2. Project Description

The *Ducks Unlimited Avoided Grasslands Conversion Project* (“the Project”) is an effort to protect threatened native grasslands in the Prairie Pothole Region (PPR) of the United States through perpetual conservation easements. The Project will protect 26,300 acres of native grasslands that are threatened with conversion to crop-based agriculture. The project will provide benefits to biodiversity protection, wildlife habitat conservation, and community values while reducing greenhouse gas (GHG) emissions. Conversion of native grasslands results in the release of carbon dioxide (CO₂) through the oxidation of soil organic carbon (SOC).

The Project will result in a reduction of approximately 795,777 metric tons of carbon emissions across the Project Area over a 99-year period. On average, the Project will reduce carbon dioxide emissions by approximately 8,038 metric tons per year.

1.3. Summary of Validation Conclusion

Following completion of SCS’s duly-accredited validation process, it was our conclusion that the *Ducks Unlimited Avoided Grassland Conversion Project in the Prairie Pothole Region* could conform to the CCBA Climate, Community and Biodiversity Project Design Standards (First Edition) at the Gold Level (see Appendix A), subject to 3 Minor Corrective Action Requests (CARs). The project proponents provided satisfactory responses to the CARs issued as a result of the initial evaluation and it is our opinion that the project now fully meets the standards.

2.0 METHODOLOGY

SCS began reviewing the Project in October, 2008, beginning with a desk audit of Project documentation and phone calls and email correspondence with the Eco Products Fund and Ducks Unlimited. An independent auditor was then authorized by SCS to conduct a formal site visit and validation assessment in November, 2008. A further review of documentation, audit findings, and public comments submitted to the CCBA was conducted in the lead up to a draft report issued in January 2009. The draft report included three CARs that the project proponents had to respond to; this final report, therefore, represents an update to the draft report based on the satisfactory response to the three CARs.

2.1. CCBA Standards

SCS conducted its evaluation to validate claims that the Project conforms to the CCBA Climate, Community and Biodiversity Project Design Standards (First Edition) (“the CCB Standards”). The CCB Standards require conformance to 15 criteria in each of 4 categories: 1) General (6 criteria), 2) Climate (3 criteria), Community (3 criteria), and Biodiversity (3 criteria). In addition, each of the 4 categories contains 2 optional criteria, valued at 1 point each, that applicants can address to achieve a higher level of validation. Projects meeting the core requirements that also achieve 1 point from at least three different categories can be validated at the Silver level. Gold level validation can be achieved by projects meeting the

core requirements while achieving 6 additional points, with at least 1 point from each of the 4 different categories.

2.2. Auditor Qualifications

The evaluation was conducted by Michael Thompson, M.Sc., under a contract with SCS. Mr. Thompson is the President of Penobscot Environmental Consulting, Inc., and a Certified Wildlife Biologist. He has worked as a subcontractor to SCS for over 10 years, conducting certification evaluations to the Forest Stewardship Council's (FSC) forest management and chain-of-custody standards. Mr. Thompson has also conducted audits to the Sustainable Forestry Initiative (SFI) forest management standards. He received his B.Sc. degree in wildlife from the University of Idaho and his M.Sc. degree in wildlife from the University of Maine. Mr. Thompson has over 25 years of experience in ecology, wildlife management, wetland science, and rare species conservation.

2.3. Audit Process

The audit process included the following steps:

- Initial client meeting and project orientation (via conference call);
- Review of Project documentation, including Project design reports, preliminary models, and project background descriptions;
- Site visit on November 17-18, 2008, that included:
 - Project overview by Ducks Unlimited (various PowerPoint presentations);
 - Presentation of final Project accounting model (spreadsheet model by The Eco Products Fund);
 - Meetings with project partners and supporters, including the U.S. Fish & Wildlife Service (USFWS); and
 - Field trips that included: visits to properties enrolled in the Conservation Easement Program, observation of native grasslands being converted to crop land, and an interview with a landowner enrolled in the Conservation Easement Program;
- Review of stakeholder comments;
- Further document review and draft report preparation;
- Technical review and approval of the draft report by SCS;
- Project proponent response to CARs;
- Auditor review of CARs and final report preparation; and
- Technical review and approval of the final report by SCS.

3.0 STAKEHOLDER COMMENTS

The Project Design Document (PDD) was posted on the CCBA website on November 25, 2008, and the public comment period extended through December 16, 2008. Comments were received from 8 parties (see Appendix B).

Written comments were received from the:

- U.S. Fish and Wildlife Service;
- North Dakota Game and Fish Department;
- North Dakota Natural Resources Trust;
- Prairie Pothole Joint Venture;
- Audubon Dakota;
- U.S. Department of Agriculture, Agricultural Research Service; and
- Energy & Environment Research Center.

All comments were supportive of the Project and general themes included:

- The Prairie Pothole Region (PPR) is a biologically rich and internationally significant ecosystem;
- Native grasslands in the PPR are being lost at a rapid rate due to conversion to cropland and other uses;
- The Conservation Easement Program has been successful at maintaining native grasslands and has the long-term support of the U.S. Fish and Wildlife Service;
- Ducks Unlimited has the expertise and management capacity to successfully implement the *Avoided Grassland Conversion Project*; and
- The *Avoided Grassland Conversion Project* benefits small to mid-sized family farms and ranches and the communities that they are found in.

Additional technical comments were provided by the U.S. Department of Agriculture's Agricultural Research Service regarding the Project's model assumptions. These are considered in the appropriate technical sections below.

4.0 CCB VALIDATION FINDINGS

This report of our validation findings addresses each of the CCBA criteria and indicators. For each criterion, the CCBA indicators are listed along with a description of the evidence that was considered and our findings. In the case of non-conformance, a Corrective Action Request (CAR) would be issued stipulating the deficiency and what needs to be done to address it. Major CARs are cases where the weight of evidence indicates broad non-conformance at the criterion level. Major CARs are considered to be "pre-conditions" that must be satisfied prior to project validation. Minor CARs are issued when there is a non-conformance with an indicator, but overall conformance with the associated criterion has been achieved. Minor CARs must still be adequately addressed prior to issuing the final CCB validation report. Formal recommendations (REC) may also be issued in instances where actions could be taken to further ensure compliance with an indicator.

Throughout the remainder of the report, the Eco Products Fund and Ducks Unlimited will be referred to as the "Project Proponents" or "the Proponents". The Project Proponents collated much of their Project information in a document entitled *Ducks Unlimited Avoided Grassland Conversion Project in the Prairie Pothole Region*, dated November 2008, which is available to the public on the CCBA website (<http://www.climate-standards.org>). The CCBA

refers to such documents as Project Design Documents (PDD). The PDD was revised in March 2009 in response to CARs issued in the draft report as part of the evaluation process.

4.1. General Section

The General Section of the CCB Standards addresses project site conditions, baseline projections, project design and goals, management capacity, land tenure, legal status, adaptive management, and knowledge dissemination.

4.1.1. G1 – Original Conditions at Project Site

The original conditions at the project site before the project commences must be described. This description, along with projections (see G2), will help determine the likely impacts of the project.

Indicator G1.1. The location of the project and basic physical parameters (e.g., soil, geology, climate).

Findings: The PDD contains a detailed description of the project location, which is the PPR of North Dakota and South Dakota east of the Missouri River (see Figure 1 in PDD). The PDD also contains detailed descriptions of soils, geology, climate, temperature, and precipitation in the Project area, with a particular emphasis on how these factors relate to native grassland development and carbon in the soil. As part of the site visit, the Project Proponents demonstrated the capabilities of their geographic information system (GIS), which contains detailed information concerning soils, geology, and climate in the Project area.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G1.2. The types and condition of vegetation at the project site.

Findings: The PDD contains a brief description of the native grasslands in the Project area and the GIS includes detailed maps of current vegetation throughout the region, including native grasslands, croplands, and other plant communities.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G1.3. Current carbon stocks at the project site(s), using methodologies from the Intergovernmental Panel on Climate Change's Good Practice Guidance (IPCC GPG) or other internationally-approved methodologies (e.g., from the CDM Executive Board).

Findings: Estimates of current carbon stocks in the Project area were derived from data generated by the IPCC, with separate estimates for the Cold Temperate Moist and Cold Temperate Dry zones that are found within the Project area. Climatic zones were derived by the U.S. Environmental Protection Agency based on IPCC criteria. Estimates derived from IPCC data were also compared to data from comparable field studies from the Cold Temperate Moist zone and they were found to be conservatively within the range of observed values.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations:

REC 2008.1. As part of stakeholder consultation, the USDA Agricultural Research Service provided comments describing recent research from the Project area related to CO₂ accrual rates and SOC levels (see Appendix B, comments by M.A. Liebig, Ph.D.). We recommend that these comments be considered to determine their relevance to the description of carbon stocks in the Project area.

Indicator G1.4. A description of communities located in and around the project area, including basic socio-economic information (using appropriate methodologies such as the livelihoods framework).

Findings: The PDD contains a brief overview describing the communities located in and around the Project area. In addition, during the site visit the Project Proponents provided a more detailed description of the socio-economic environment within the Project area. This information was based on the decades of involvement that Ducks Unlimited and the USFWS have had with landowners in the region. During the field trips, the Project Proponents exhibited a detailed understanding of the communities in the Project area and the socio-economic forces that are driving current community dynamics.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G1.5. A description of current land use and land tenure at the project site (see also G5).

Findings: Ducks Unlimited provided a detailed description of current land use and land tenure within the Project area based on their years of experience in the region and detailed data that has been amassed in the Project GIS. Observations and descriptions from Ducks Unlimited were confirmed in separate interviews with USFWS Project supporters.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G1.6. A description of current biodiversity in the project area and threats to that biodiversity, using appropriate methodologies (e.g., key species habitat analysis, connectivity analysis), substantiated where possible with appropriate reference material.

Findings: The PDD contains a comprehensive description of current biodiversity in the Project area and threats to that biodiversity. This information is based on the comprehensive analysis of biodiversity data for the region by Ducks Unlimited professional staff, most of whom have advanced degrees in wildlife management and related sciences. In addition, Ducks Unlimited is engaged in collaborative efforts to catalog and conserve biodiversity in the region that include State fish and wildlife agencies, the USFWS, Natural Heritage Programs, and conservation-oriented non-governmental organizations (NGOs). Ducks Unlimited's expertise in biodiversity conservation was further recognized by stakeholders from the region (see Appendix B).

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G1.7. A list of all IUCN Red List threatened species (which encompasses endangered and vulnerable species) and species on nationally recognized list (where applicable) found within the project boundary (see also B1).

Findings: A current list of IUCN Red List threatened species is provided in the PDD and Ducks Unlimited also has more detailed records concerning State-listed rare species.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.1.2. G2 – Baseline Projections

An analysis of projected land-use trends is necessary to predict likely on-site changes without implementation of a project. This “without-project” future land-use scenario enables comparison of the project’s likely impact with what would otherwise have occurred.

Indicator G2.1. Description of the most likely land-use scenario in the absence of the project, identifying whether the scenario assumes that existing laws or regulations would have required that project activities be undertaken anyway.

Findings: The PDD contains a detailed description of the most likely land-use scenario in the Project area in the absence of the Project, with a particular emphasis on changes in agricultural uses. Ducks Unlimited estimates an annual loss rate of native prairie grasslands of 3% per year beginning in 2008 and then gradually declining to 2% per year over the next three decades as bio-fuel initiatives develop. Over the 99-year life of the Project, Ducks Unlimited estimates that 73% of the native prairie grasslands will be converted to crops. Although not described in the PDD, the Project Proponents are experts in land conservation in the region and were able to describe the potential influence – or lack thereof – of existing laws and regulations as they relate to conservation of native prairie. This information was confirmed by USFWS staff.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G2.2. A projection of future carbon stock changes in the absence of the project, based on the land-use scenario described above. The timeframe for this analysis can be either the project lifetime (see G3) or the project accounting period, whichever is more appropriate. If there is evidence that non-CO₂ greenhouse gas (GHG) emissions such as CH₄ or N₂O are more than 15% of the baseline GHG fluxes at the project site (in terms of CO₂ equivalents), they must be estimated.

Findings: IPCC methods were used to estimate the loss of SOC from mineral soils in the Project area as native prairie is converted to cropland over a 99-year period.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations:

REC 2008.2. The equation used by the Project Proponents to estimate SOC loss included a scaling factor for the effect of management practices (F_{MG}). Based on IPCC 2006 guidelines, an F_{MG} of 1.00 was used, representing full tillage. The USDA Agricultural Research Services, however, recommends using tillage factors of 1.02 (temperate, dry) and 1.08 (temperate, moist) for F_{MG} based on the likely use of no-till planting in some portions of the Project area

(see Appendix B, comments by M.A. Liebig, Ph.D.). We recommend that the Project Proponents consider these comments and evaluate the sensitivity of SOC loss estimates to changes in F_{MG} .

Indicator G2.3. Description of how the “without-project” scenario would affect local communities in the project area.

Findings: The PDD contains a succinct description of how the without-project scenario would potentially influence local communities in the Project area. Briefly, the Project Proponents project that the expansion of cropland will lead to the continued increase in average farm size, at the expense of small family farms and small business farms, with fewer people living on farms and in small communities. This trend, they contend, will lead to further rural depopulation and accelerate the loss of rural infrastructure. Based on the field visits to communities in the area, our sense is that the Project Proponents are conservative in their description of how the without-project scenario would affect local communities in the Project area. Touring through a sample of communities it was clear that rural infrastructure – such as banks, schools, and businesses – is rapidly declining. Local stakeholders also confirmed in interviews that farms are getting larger, many landowners are now absentee landowners, and rural infrastructure is in rapid decline. An owner of a small farm enrolled in the Conservation Easement Program confirmed that this program was an important factor in his deciding to remain on the land.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G2.4. Description of how the “without-project” land-use scenario would affect biodiversity in the project area.

Findings: The PDD contains a brief overview of the impact of the conversion of native prairie to cropland on biodiversity values. Much more detailed descriptions were provided by Ducks Unlimited during the site visit and stakeholder comments confirm that the loss of native prairie is having a devastating effect on native plants and animals, and especially birds (see Appendix B).

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G2.5. Description of how the “without-project” land-use scenario would affect water and soil resources (see also B5).

Findings: The PDD contains a brief description of how the without-project scenario would likely lead to increased soil erosion from croplands into wetlands and the effect that this would have on plants, animals, and invertebrates. The Project Proponents also note the negative effects associated with the use of fertilizers, herbicides, and pesticides on adjacent native plant communities.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.1.3. G3 – Project Design and Goals

The project must be described in sufficient detail so that a third-party can adequately evaluate it. Projects that operate in a transparent manner enable stakeholders and outside parties to contribute more effectively to the project.

Indicator G3.1. Provide a description of the scope of the project and a summary of the major climate, community, and biodiversity goals.

Findings: The PDD describes the scope of the Project as seeking to avoid the conversion of 26,300 acres of native prairie to cropland, thereby protecting an internationally-significant ecosystem. Additional detail concerning the scope of the Project – and related efforts by Project supporters and partners – was presented during the site visit and is available on the Ducks Unlimited website. The Project is related to the Prairie Pothole Joint Venture, which was discussed by stakeholders (see Appendix B).

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G3.2. Describe each major project activity (if more than one) and its relevance to achieving the project's goals.

Findings: The PDD explains each major project activity, including financing perpetual Conservation Easements, determining prospective easement properties, meetings with landowners, entering into the Conservation Easement, and monitoring the terms of the Conservation Easement. Each major project activity was elaborated on during the site visit and confirmed through staff interviews and stakeholder consultation.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G3.3. Provide a map identifying the project location, where the major project activities will occur, and geo-referenced boundaries of the project site(s).

Findings: The PDD contains a map of the Project area and existing Conservation Easements (see Figure 7) and the Project GIS contains much more detailed information.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G3.4. Provide a timeframe for the project's duration and the rationale used for determining the project lifetime. If the accounting period for carbon credits differs from the project lifetime, explain.

Findings: Conservation Easements are perpetual, but the Project Proponents used a 99-year Project length as a reasonable surrogate for perpetuity for the purposes of analysis.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G3.5. Identify likely risks to climate, community, and biodiversity benefits during the project lifetime. Outline measures that the project plans to undertake to mitigate these risks.

Findings: Project Proponents identify 2 primary risks during the Project lifetime, including 1) natural disaster, and 2) violation of the terms of the perpetual Conservation Easements. Potential natural disasters that were considered included drought and fire and these were both considered to be naturally cyclical events that don't alter SOC levels to any great, long-term degree. Violation of the terms of the Conservation Easement was considered to be the greater risk, and Project Proponents explained how the USFWS takes measures to ensure conformance to the terms of the Conservation Easements (see also stakeholder comments in Appendix B). Potential risks to biodiversity and community during the life of the Project are also associated with the conversion of native prairie to cropland and the consolidation of small farms into larger units. The primary goal of the Project, however, is addressing these risks through the acquisition of perpetual Conservation Easements on native prairie lands.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G3.6. Document and defend how local stakeholders have been or will be defined.

Findings: The Project Proponents list the regional landowners as the local stakeholders for the Project, while recognizing during the site visit that there are many other parties who can properly be considered stakeholders to the Project.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations:

REC 2008.3. The Project Proponents formally recognize landowners as being the local stakeholders to the Project (see Section G3.6 of the PDD) and we concur that they are primary stakeholders. We recommend, however, that the Project Proponents develop an expanded list of stakeholders, which might include parties interested in native prairie conservation, members of local business communities, farming/ranching organizations, and local community leaders. We recognize that the Project Proponents already see these parties as being important to the Project, while not necessarily classifying them as yet as formal “stakeholders”.

Indicator G3.7. Demonstrate transparency by: making all project documentation publicly accessible at, or near, the project site; only withholding information when the need for confidentiality is clearly justified; informing local stakeholders how they can access the project documentation; and by making key project documents available in local or regional languages, where applicable.

Findings: The Project Proponents make all relevant documents available at the Ducks Unlimited Great Plains Regional Office located in Bismarck, North Dakota, which is within the Project area. In addition, Ducks Unlimited and the USFWS meet face-to-face with landowners and other interested parties and disseminate written brochures and other materials related to the Project. Project materials are also available on the Ducks Unlimited website.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.1.4. G4 – Management Capacity

The success of a project depends upon the competence of the implementing management team.

Indicator G4.1. Document the management team’s experience implementing land management projects. If relevant experience is lacking, the proponents must demonstrate how other organizations will be partnered with to support the project.

Findings: Ducks Unlimited has been working on wetland and waterfowl conservation for over 70 years and in-house staff members in the Great Plains Regional Office are experienced and well-trained wildlife biologists and ecologists. Most staff members have advanced degrees in their field of expertise. In-house staff members are not necessarily experts in soil science and to address this gap Ducks Unlimited has partnered with academic soils experts from the region. Both Ducks Unlimited and the USFWS have an extensive history in managing the Conservation Easement Program.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G4.2. Demonstrate that management capacity is appropriate to the scale of the project.

Findings: The current Project relates to the conservation of 26,300 acres of native prairie in the PPR of North Dakota and South Dakota. According to the USFWS, they have a backlog of landowners seeking Conservation Easements and both the USFWS and Ducks Unlimited have the capacity to address this backlog, given proper financing. The Project team has demonstrated, via its long-standing track record, that it has the management capacity to address the 26,300-acre Project and to expand it many more landowners, should funding become available. In addition, Ducks Unlimited has demonstrated experience on similar conservation projects throughout the entire PPR in the United States and Canada.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G4.3. Document key technical skills that will be required to successfully implement the project and identify members of the management team or project partners who possess appropriate skills.

Findings: The PDD identifies the key technical skill areas that will be required to successfully implement the Project and it further describes the technical skills of the management staff assigned to each skill area. The technical skill of the management team was confirmed through group interviews and one-on-one discussions with staff members from Ducks Unlimited and the USFWS.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G4.4. Document the financial health of the implementing organization(s).

Findings: Ducks Unlimited has a 70-year history as a successful non-profit conservation organization and the health of the organization is evidenced through its ability to retain highly-qualified staff, new office building construction (i.e., the Great Plains Regional Office is housed in a building recently constructed by Ducks Unlimited), investment in GIS technologies, and detailed and informative website and printed outreach materials. As a non-profit, a copy of Ducks Unlimited's annual financial report and 990 IRS audit is available to the public.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.1.5. G5 – Land Tenure

There should be no significant land tenure disputes in the project area, or the project should fundamentally help to resolve these tenure issues.

Indicator G5.1. Guarantee that the project will not encroach uninvited on private property, community property, or government property.

Findings: Conservation Easements are only acquired on private property after due-diligence reviews by the USFWS confirm a free and clear title to the land that is held by the interested landowner.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G5.2. Guarantee that the project does not require the relocation of people, or any relocation is 100% voluntary and fundamentally helps resolve land tenure problems in the area.

Findings: Conservation Easements do not require landowner relocation and the program, instead, is intended to promote retaining land in small, family farm ownerships.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G5.3. Describe potential “in-migration” of people from surrounding areas, if relevant, and explain how the project will respond.

Findings: Considered to be not relevant to the Project.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.1.6. G6 – Legal Status

The project must be based on a solid legal framework (e.g., appropriate contracts are likely to be in place) and the project must seek to satisfy applicable planning and regulatory requirements.

During the project design phase, the project proponents should communicate early on with relevant local, regional, and national authorities and allow adequate time to earn necessary approvals. The project design should be flexible to accommodate potential modifications that may arise to secure regulatory approval.

Indicator G6.1. Guarantee that no laws will be broken by the project.

Findings: Conservation Easements are based on a standard contract between the landowner and the USFWS. Prior to signing, the Conservation Easement contract goes through an internal USFWS review process. Once enacted, the USFWS has an active Enforcement Program to ensure that the terms of the Conservation Easement are followed and to document that no illegal activities are occurring on the subject properties. Ownership of the GHG rights will be based on legal documents that convey full and unencumbered title to the rights from the landowner.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G6.2. Document that the project has, or expects to secure, approval from the appropriate authorities.

Findings: Approvals from the USFWS for Conservation Easements have been obtained for most of the 26,300 acres that are the subject of the Project. The remainder are expected to be processed in 2009.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.1.7. G7 – Adaptive Management for Sustainability

Adaptive management is a formal, systematic, and rigorous approach to learning from the outcomes of management actions, accommodating change and improving management. It involves synthesizing existing knowledge, exploring alternative actions and making forecasts about their outcomes.

Adaptive management is based upon the premise that ecosystems and social systems are complex and inherently unpredictable. Adaptive management views land management actions as learning opportunities and as potential experiments for systematically testing assumptions and identifying adjustments that could benefit the project. It enables a project to evolve to meet changing or unanticipated needs, and can help ensure that the project realizes its goals over the long term.

Indicator G7.1. Demonstrate how management actions and monitoring programs are designed to generate reliable feedback that is used to improve project outcomes.

Findings: Ducks Unlimited and the USFWS quantitatively monitor landowner acceptance of Conservation Easement offers and expect a certain refusal rate that is based on the offer price. Offer rates are compared to prevailing comparable real estate transactions and this information – along with refusal rates – is used to modify easement offer rates, as appropriate.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G7.2. Have a management plan for documenting decisions, actions and outcomes and sharing this information with others within the project team, so experience is passed on rather than being lost when individuals leave the project.

Findings: Ducks Unlimited and the USFWS keep detailed records of easement transactions – both successful and unsuccessful – and this information serves as a permanent record for future Project team members. In addition, staff members from both Ducks Unlimited and the USFWS have long-term work histories on the Project. As Project team members retire or move to other positions, a transition period is planned to ensure that their knowledge of the Project is available to future team members.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G7.3. Demonstrate how the project design is sufficiently flexible to accommodate potential changes and that the project has a defined process in place to adjust project activities as needed.

Findings: The Conservation Easement Program is a decades-old program that has proven to be successful, given the proper funding to obtain easements. Little change, therefore, is envisioned in the program as Project team members, instead, strive to address the backlog of landowners interested in entering into a Conservation Easement. That said, both Ducks Unlimited and the USFWS have a proven track record of adaptive management over the long-term life of the Conservation Easement Program.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G7.4. Demonstrate an early commitment to the long-term sustainability of project benefits once initial project funding expires. Potential activities may include: designing a new project that builds on initial project outcomes; securing payments for ecosystem services; promoting micro-enterprise; and establishing alliances with organizations or companies to continue sustainable land management.

Findings: Conservation Easements are perpetual and the terms of the easement are enforced by the USFWS, an agency within the U.S. Federal Government system. The Conservation Easement Program is decades old, further demonstrating the USFWS's commitment to the long-term sustainability to the program (see also stakeholder comments in Appendix B). The Project is also affiliated with the PPJV and based on alliances with conservation organizations – including public, private, and NGO – throughout the PPR.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.1.8. G8 – Knowledge Dissemination

Field-based knowledge can be of value to other projects. If actively disseminated, this information can accelerate the adoption of innovative practices that bring benefits both globally and locally.

Indicator G8.1. Describe how they will document the relevant or applicable lessons learned.

Findings: Relevant lessons learned about the Project are documented internally in Project files and USFWS and Ducks Unlimited landowner files to ensure that they are not lost to future Project team members. In addition, Ducks Unlimited and the USFWS document their experiences in professional presentations and peer-to-peer discussions with colleagues and interested stakeholders in both the PPR and throughout North America.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator G8.2. Describe how they will disseminate this information in order to encourage replication of successful practices. Examples include: undertaking and disseminating research that has wide-reaching applications; holding training workshops for community members from other locales; promoting “farmer to farmer” knowledge-transfer activities; linking to regional databases; and working with interested academic, corporate, governmental or non-governmental organizations to replicate successful project activities.

Findings: Project information is disseminated through websites, Project printed materials (e.g., brochures for landowners), public presentation to both lay and professional audiences, peer-to-peer discussions, and participation in professional ventures such as the PPJV and the Plains CO₂ Reduction Partnership (PCOR).

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.2. Climate Section

The Climate Section of the CCB Standards addresses net positive climate impacts, offsite climate impacts (“leakage”), climate impact monitoring, adapting to climate change and climate variability, and carbon benefits withheld from regulatory markets.

4.2.1. CL1 – Net Positive Climate Impacts

The project must generate net positive impacts on atmospheric concentrations for greenhouse gases (GHGs) within the project boundaries and over the project lifetime.

Indicator CL1.1. Use the methodologies of the Intergovernmental Panel on Climate Change’s Good Practice Guidance (IPCC GPG) to estimate the net change in carbon stocks due to the project activities. The net change is equal to carbon stock changes *with* the project minus carbon stock changes *without* the project (the latter having been estimated in G2). Alternatively, any methodology approved by the CDM Executive Board may be used. This estimate must be based on clearly defined and defensible assumptions about how project activities will alter carbon stocks and non-CO₂ GHG emissions over the duration of the project or the project accounting period.

Findings: Using IPCC guidelines, the Project Proponents estimated the net change in carbon stocks due to Project activities over the life of the Project. Estimates were made using a spreadsheet model that went through an internal peer-review process within the Eco Products Fund. The spreadsheet was made available to the auditor for review and validation. Based on this review, it appears that model inputs are conservative and based on available science and that the model accurately projects net change in carbon stocks due to the Project.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None (see REC 2008.1 and REC 2008.2)

Indicator CL1.2. Factor in the non-CO₂ gases CH₄ and N₂O to the net change calculations (above) if they are likely to account for more than 15% (in terms of CO₂ equivalents) of the project’s overall GHG impact.

Findings: The Project Proponents believe that there are no additional non-CO₂ gases that are relevant to the Project and we concur with this statement.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator CL1.3. Demonstrate that the net climate impact of the project (including changes in carbon stocks, and non-CO₂ gases where appropriate) will give a positive result in terms of overall GHG benefits delivered.

Findings: Project models demonstrate that the Project will successfully avoid the degradation of stored carbon stocks, and the associated negative climate impacts, associated with 26,300 acres of native prairie grassland in the PPR. Ducks Unlimited and the USFWS have already secured Conservation Easements on the majority of the targeted properties and expect to have the remainder secured from the pool of backlogged properties by mid-2009.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.2.2. CL2 – Offsite Climate Impacts (“Leakage”)

The project proponents must quantify and mitigate likely negative offsite climate impacts; namely, decreased carbon stocks or increased emissions of non-CO₂ GHGs outside the project boundary, resulting from project activities (referred to as “leakage” in climate change policy).

Indicator CL2.1. Estimate potential offsite decreases in carbon stocks (increases in emissions or decreases in sequestration) due to project activities.

Findings: One potential outcome of the Project is increasing conversion of native prairie to cropland in response to increasing acres placed in the Conservation Easement Program. Ducks Unlimited analyzed this scenario quantitatively using county-by-county data on acres entered into the Conservation Easement Program and acres of conversion (called, locally, “new breakings”). They found no statistical relationship between acres in easement and new breakings and concluded that there is no evidence of this type of leakage associated with the Project. The Project Proponents further noted that the size of the Project (26,300 acres) is notably small in relation to the 64 million acres that comprise the PPR.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator CL2.2. Document how negative offsite impacts resulting from project activities will be mitigated, and estimate the extent to which such impacts will be reduced.

Findings: No off-site impacts are anticipated.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator CL2.3. Subtract any likely project-related unmitigated negative offsite climate impacts from the climate benefits being claimed by the project. The total net effect, equal to the net increase in onsite carbon stocks (calculated in the third indicator in CL1) minus negative offsite climate impacts, must be positive.

Findings: No off-site impacts are anticipated.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.2.3. CL3 – Climate Impact Monitoring

Before a project begins, the project proponents must have an initial monitoring plan in place to quantify and document changes in project-related carbon pools, and non-CO₂ GHG emissions, if appropriate (within and outside project boundaries). The monitoring plan should state which measurements will be taken and which sampling strategy will be used.

Indicator CL3.1. Have an initial plan for how they will select carbon pools and non-CO₂ GHGs to be monitored, and the frequency of monitoring. Potential pools include aboveground biomass, litter, dead wood, belowground biomass and soil carbon. Pools to monitor must include any pools expected to decrease as a result of project activities. Relevant non-CO₂ gases must be monitored if they account for more than 15% of the project’s net climate impact expressed in terms of CO₂ equivalents.

Findings: Ducks Unlimited has designed and implemented a plan for tracking Project parameters in its CONSERV database, including carbon rates and volumes, buffer reserves, vintages, serial numbers, sales transactions, contracts, and agreements. The CONSERV program accurately tracks carbon offset sales and ensures accurate accounting of credits. The program is also used to track buffer reserves. Project Proponents have determined that there are no non-CO₂ GHG emissions that are relevant to the Project, so monitoring will focus on accurately accounting for carbon reserves sequestered on Conservation Easement Program properties.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.2.4. CL4 – Adapting to Climate Change & Climate Variability

Projects designed to anticipate and adapt to probable impacts of climate change and climate variability are more likely to sustain the benefits generated by the project over the long term.

Indicator CL4.1. Identify likely regional climate change and climate variability impacts, using available studies.

Findings: Based on available studies, the Project Proponents anticipate that average air temperatures and average rainfall will increase in the region during the life of the Project. Some researchers (see PDD Section CL4.2) anticipate that such changes might result in a decrease of 0.045 metric tons of SOC per acre from 1990-2035, which equates to a change of 0.2 metric tons of CO₂ per acre during the period. An alternative scenario is that increased rainfall will result in more robust growth of native prairie species, perhaps with minor shifts in species composition, with a net result of increased stores of SOC.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator CL4.2. Demonstrate that the project has anticipated such potential impacts and that appropriate measures will be taken to minimize these negative impacts.

Findings: Given that the projected change in SOC as a result of anticipated climate changes is both low and speculative, the Project Proponents have not factored this potential change into Project models. The Project Proponents will, however, continue to evaluate ongoing research in this area and intend to make model adjustments in the future, should the weight-of-evidence suggest that it is appropriate to do so.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.2.5. CL5 – Carbon Benefits Withheld from Regulatory Markets

When some carbon benefits generated by a project are *not* sold to satisfy regulatory requirements, additional mitigation action will be required elsewhere to meet these requirements. Therefore, withholding a portion of the project’s carbon benefits from being used in capped markets will result in greater overall climate change mitigation.

Moreover, projects that do not sell all their carbon benefits in regulated regimes have the opportunity to experiment with climate change mitigation activities other than the ones eligible under these regimes (such as avoided deforestation, which is not currently creditable under the Clean Development Mechanism). Such experimentation may generate new knowledge that is of value to carbon rule makers and other project developers.

Indicator CL5.1. Not sell at least 10% of the total carbon benefits generated by the project into regulated GHG markets (e.g., CDM, New South Wales GHG Abatement Scheme, Oregon Standard). Projects can sell these carbon benefits in a voluntary market or retire them.

Findings: Carbon offsets generated from the Project will only be sold into voluntary carbon markets and they are currently not eligible for sale under any regulated markets.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.3. Community Section

The Community Section of the CCB Standards addresses net positive community impacts, offsite community impacts, community impact monitoring, capacity building, and best practices in community involvement.

4.3.1. CM1 – Net Positive Community Impacts

The project must generate net positive impacts on the social and economic wellbeing of communities within the project boundaries and within the project lifetime. In addition, local communities and other stakeholders should be engaged early on so that the project design can be revised based on their input. Finally, projects should ensure that stakeholders can express concerns and grievances to project proponents and that these concerns are responded to in a timely manner.

Indicator CM1.1. Use appropriate methodologies (e.g. the livelihoods framework) to estimate the net benefits to communities resulting from planned project activities. A credible estimate of net benefits must include changes in community wellbeing given project activities. This estimate must be based on clearly defined and defensible assumptions about how project activities will alter social and economic wellbeing over the duration of the project. The “with project” scenario must then be compared with the baseline scenario of social and economic wellbeing in the absence of the project (completed in G2). The difference (i.e., the net community benefit) must be positive.

Findings: The PDD (see Section CM1.1) contains an overview of the economic value of native prairie for both the individual landowner and the community at large. The Project Proponents further describe what they believe to be the overall net benefit of the Project. The analysis, however, does not quantify the benefits of either retaining the land as native prairie, but not entering into an easement (the “no action” alternative), or converting to cropland. More importantly, the analysis does not compare the “with project” scenario to a baseline scenario (see **Minor CAR 2008.1**).

Conformance: Yes No N/A

Corrective Action Requests:

Minor CAR 2008.1. Project Proponents provide an overview of the anticipated benefits of conserving native prairie on a regional basis and we concur that the Project is likely to result in positive net community benefits. The Proponent’s analysis, however, does not fully compare the “with project” scenario with the baseline scenario of social and economic wellbeing in the absence of the Project. We conclude, therefore, that the Project Proponents only partially meet the requirements of Indicator CM1.1. To address this gap, the Project Proponents must, within six months of acceptance of this report, prepare an analysis that compares the socio-economic benefit of the Project to baseline conditions.

Proponent’s Response to Minor CAR 2008.1. The project proponents addressed the requirements of the CAR by modifying the PDD to include a description of the “no action”

alternative and an analysis of the community benefits associated with converting grassland to cropland. In both cases the project proponents conclude that there are greater community benefits associated with the project (see revised PDD). The revised PDD also contains a quantitative model comparing the “with project” and “without project” scenarios based on projections of landowners remaining in their communities. The project proponents predict in this model that by engaging in the easement program, landowners are more likely to remain in their community.

Auditor’s Evaluation of Response. The response by the project proponents fully addresses the CAR and it is the auditor’s conclusion that the indicator is now fully met by the revised PDD.

Recommendations: None

Indicator CM1.2. Document local stakeholder participation in the project’s planning. If the project occurs in an area with significant local stakeholders, the project must engage a diversity of stakeholders, including appropriate sub-groups, underrepresented groups and women living in the project vicinity. Stakeholders in the project’s area of influence must have an opportunity before the project design is finalized, to raise concerns about potential negative impacts, express desired outcomes and provide input on the project design. Project developers must document stakeholder dialogues and indicate if and how the project proposal was revised based on such input.

Findings: Ducks Unlimited has held meetings with individual landowners, the local Farmer’s Union, USFWS, North Dakota Game and Fish Department, other NGOs, and members of the PPJV. Interviews with many of these parties – and stakeholder comments (see Appendix B) – provide evidence to support the conclusion that the Project Proponents conform to the requirements of the indicator.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations:

REC 2008.4. Ducks Unlimited records many of the conversations with stakeholders in landowner files or meeting notes. We recommend, however, that they establish a more formal approach to documenting stakeholder dialogues that captures who the comment was received from, who received it, how the comment was addressed, and what feedback was provided to the stakeholder. Such a system should be widely known to, and employed by, staff members who have contact with Project stakeholders (see also **REC 2008.3**).

Indicator CM1.3. Formalize a clear process for handling unresolved conflicts and grievances that arise during project planning and implementation. The project design must include a process for hearing, responding to and resolving community grievances within a reasonable time period. This grievance process must be publicized to local stakeholders. Project management must attempt to resolve all reasonable grievances raised, and provide a written response to grievances within 30 days. Grievances and project responses must be documented.

Findings: The USFWS has a formal process for handling conflicts and grievances related to negotiation and enactment of Conservation Easements. This process is explained to landowners and their recourse, should they be aggrieved, is explained to them throughout the process (Note: this was confirmed via landowner interview). The overall Project is also well-publicized on the Ducks Unlimited website and elsewhere. Project documentation, however, does not appear to include a publicized grievance process for local stakeholders (see **Minor CAR 2008.2**).

Conformance: Yes No N/A

Corrective Action Requests:

Minor CAR 2008.2. Project Proponents, within six months of acceptance of this report, must develop a written grievance process that is made publicly available to Project stakeholders (see also **REC 2008.3** and **REC 2008.4**). The grievance process must be for the Project at large (i.e., not just for the easement process) and must include protocols for documenting grievances and measures taken to address them in a timely fashion). Written responses to grievances must be provided to the aggrieved party within 30 days of receipt of the concern.

Proponent's Response to Minor CAR 2008.2. The PDD was revised to include a publicly-available grievance process that will be administered by Ducks Unlimited. The process ensures that aggrieved parties will receive a response from Ducks Unlimited within 30 days of filing a grievance.

Auditor's Evaluation of Response. The response by the project proponents fully addresses the CAR and it is the auditor's conclusion that the indicator is now fully met by the revised PDD.

Recommendations: None

4.3.2. CM2 – Offsite Community Impacts

The project proponents must quantify and mitigate likely negative social and economic offsite impacts; namely, the decreased social and economic wellbeing of communities or people living outside the project boundary, resulting from project activities.

Indicator CM2.1. Identify potential negative offsite community impacts that the project is likely to cause.

Findings: The project is not expected to have negative offsite community impacts and will, instead, have indirect positive community impacts.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

CM2.2. Describe how the project plans to mitigate these negative offsite social and economic impacts.

Findings: No negative offsite social or economic impacts are anticipated.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator CM2.3. Evaluate likely unmitigated negative offsite social and economic impacts against the social and economic benefits of the project within the project boundaries. Justify and demonstrate that the net social and economic effect of the project is positive.

Findings: No negative offsite social or economic impacts are anticipated.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.3.3. CM3 – Community Impact Monitoring

The project proponents must have an initial monitoring plan to quantify and document changes in social and economic wellbeing resulting from the project activities (within and outside the project boundaries). The monitoring plan should indicate which measurements will likely be taken and which sampling strategy will be used to determine how the project affects social and economic wellbeing.

Since developing a full community-monitoring plan can be costly, it is accepted that some of the plan details may not be fully defined at the design stage, when projects are being evaluated by the CCB Standards. This will especially be true for small-scale projects.

Indicator CM3.1. Have an initial plan for how they will select community variables to be monitored, and the frequency of monitoring. Potential variables include income, health, roads, schools, food security, education and inequality. Community variables at risk of being negatively impacted by project activities should be monitored.

Findings: The Project Proponents have given preliminary consideration to community variables and related socio-economic data that are available from local, State, and Federal sources. They also recognize, rightfully so, that the Project is relatively modest in scope (i.e., 26,300 acres of easements) and unlikely – despite having positive community benefits – to measurably impact community variables. Direct positive impacts, instead, will accrue to the individual landowner, with indirect, but difficult to quantify, benefits accumulating to the landowner’s family and the adjacent community.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations:

REC 2008.5. If this type of project is expanded beyond the initial 26,300 acres encompassed by the current Project, it is very likely that community benefits will become more direct and measurable. We recommend, therefore, that the Project Proponents formalize an initial plan for monitoring community-scale variables should the Project be expanded.

4.3.4. CM4 – Capacity Building

Projects that include a significant capacity-building (training, skill building, etc) component are more likely to sustain the positive outcomes generated by the project and have them replicated elsewhere. The project proponents must include a plan to provide orientation and training for the project’s employees and relevant community members with an eye to building locally relevant skills and knowledge over time.

Indicator CM4.1. [Capacity building is] structured to accommodate the needs of communities, not only of the project.

Findings: The Project has a decidedly two-pronged approach that addresses both the conservation of biological diversity and sustaining small farm and ranch operations in the PPR. The community at large benefits from both the conservation of native prairie and the retention of family-based and small business-based agricultural operations. The current Project is currently capped at 26,300 acres with the majority of the Conservation Easements already in place. The remainder will be drawn from the pool of backlogged landowners who are interested in the Program and the USFWS has demonstrated that they have the capacity to enroll many more landowners should funds become available. Overall, therefore, Ducks Unlimited and the USFWS have structured a program that is regional in scope and able to accommodate the needs of local and regional communities.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator CM4.2. [Capacity building is] targeted to a wide range of groups, not just elites.

Findings: The Project is specifically directed toward small family farms and ranches and operations owned and operated by small businesses.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator CM4.3. [Capacity building is] targeted to women to increase their participation.

Findings: The Project is gender and race neutral and is, instead, targeted at the small-scale landowner, regardless of gender or race.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator CM4.4. [Capacity building is] aimed to increase community participation in project implementation.

Findings: Ducks Unlimited and the USFWS have met with Farmer's Unions and other organizations that represent small farm and ranch operations in the region. Such organizations are then able to take information regarding the Project to their constituencies. Project proponents also target early adopters and opinion leaders in the farming community and encourage their peer-to-peer education of fellow landowners, a fact confirmed via landowner interviews.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.3.5. CM5 – Best Practices in Community Involvement

Projects that use best practices for community involvement are more likely to benefit communities. Best practices include: respect for local customs, local stakeholder employment, worker rights and worker safety.

Indicator CM5.1. Demonstrate that the project was developed with a strong knowledge of local customs and that, where relevant, project activities are compatible with local customs.

Findings: The Project was developed by Ducks Unlimited, which has had a regional office in the Project area for over 24 years. Many staff members are from the local area and have strong ties to the community and sensitivity to local customs. The USFWS, as well, has experience in the region going back several decades. Interviews with Ducks Unlimited staff members confirmed strong ties to the local community and a notable sensitivity to the perspectives of owners and operators of small farming and ranching operations. This was independently confirmed during a landowner interview. Indeed, one of the notable strengths of the Project is the fact that it is based on a strong knowledge of local customs and close ties to the community. It is unlikely, in fact, that the Project would be as successful as it is without the local presence of the Project Proponents.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator CM5.2. Show that local stakeholders will fill all employment positions (including management) if the job requirements are met. Project proponents must explain how stakeholders will be selected for positions and where relevant, must indicate how traditionally underrepresented stakeholders and women, will be given a fair chance to fill positions for which they can be trained.

Findings: The Project will not result in the creation of any new jobs. As noted above, however, many Ducks Unlimited staff members are from the local community. Both Ducks Unlimited and the USFWS are equal opportunity employers and USFWS hiring practices are governed by Federal affirmative action requirements.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator CM5.3. Show that the project will inform workers about their rights, and that the project complies with international rules on worker rights.

Findings: Interviews with Ducks Unlimited staff members confirmed that they were aware of their rights as employees and that they felt free to advocate for those rights with management. USFWS employees are subject to Federal rules and regulations guaranteeing worker rights.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator CM5.4. Comprehensively assess situations and occupations that pose a substantial risk to worker safety. A plan must be in place to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be guaranteed, project proponents must show how the risks will be minimized using best work practices.

Findings: Project occupations are low-risk positions that involve tasks related to computer use, driving in vehicles, and walking over uneven terrain. Ducks Unlimited and the USFWS have comprehensive safety training programs that seek to minimize these risks through workplace training.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.4. Biodiversity Section

The Biodiversity Section of the CCB Standards addresses net positive biodiversity impacts, offsite biodiversity impacts, biodiversity impact monitoring, native species use, and water and soil resource enhancement.

4.4.1. B1 – Net Positive Biodiversity Impacts

The project must generate net positive impacts on biodiversity within the project boundaries and within the project lifetime, measured against the baseline conditions.

Projects should have no negative effects on species included in the IUCN Red List of threatened species (which encompasses endangered and vulnerable species) or species on a nationally recognized list (where applicable). Invasive species must not be planted by the project.

Genetically Modified Organisms (GMOs), as a relatively new form of technology, raise a host of ethical, scientific and socio-economic issues. Some GMO attributes may result in invasive genes or species. In the future, certain GMOs may be proven safe. However, given the currently unresolved issues surrounding GMOs, projects cannot use genetically modified organisms to generate carbon credits.

Indicator B1.1. Use appropriate methodologies (e.g., key species habitat analysis, connectivity analysis) to estimate changes in biodiversity as a result of the project. This estimate must be based on clearly defined and defensible assumptions. The “with project” scenario should then be compared with the baseline “without project” biodiversity scenario completed in G2. The difference (i.e., the net biodiversity benefit) must be positive.

Findings: The PDD contains a lengthy overview of the benefits to biodiversity that are expected to accrue as a result of Project implementation (see Section B1.1). The PDD also illustrates how the Project is integrated with other efforts to conserve biodiversity, such as Partners in Flight, the North American Waterfowl Management Plan, the U.S. Shorebird Conservation Plan, the Western Hemisphere Shorebird Reserve Network, the North American Waterbird Conservation Plan, and the Prairie Pothole Joint Venture. Stakeholder comments also validate the fact that there is no doubt that conserving native prairie in the PPR has important biodiversity implications. That said, the Project Proponents have not developed an estimate of the changes in biodiversity associated specifically with the conservation of 26,300 acres of native prairie (see **Minor CAR 2008.3**).

Conformance: Yes No N/A

Corrective Action Requests:

Minor CAR 2008.3. The Project Proponents must, within six months of acceptance of this report, prepare an analysis that estimates changes in biodiversity that are expected to result

from implementation of the specific 26,300-acre Project. As part of this analysis, the “with project” scenario must be compared to the baseline “without project” scenario.

Proponent’s Response to Minor CAR 2008.3. The project proponents addressed the requirements of the CAR by modifying the PDD to include more detailed descriptions of the anticipated biodiversity benefits associated with protecting native grasslands. The revised PDD also contains a quantitative model comparing the “with project” and “without project” scenarios based on projections of remaining native prairie (a key habitat analysis). The project proponents predict in this model that by engaging in the easement program, native prairie grasslands will be conserved, resulting in the conservation of associated biodiversity values.

Auditor’s Evaluation of Response. The response by the project proponents fully addresses the CAR and it is the auditor’s conclusion that the indicator is now fully met by the revised PDD.

Recommendations: None

Indicator B1.2. Describe possible adverse effects of non-native species on the area’s environment, including impacts on native species and disease introduction or facilitation. If these impacts have a substantial bearing on biodiversity or other environmental outcomes, the project proponents must justify the necessity of using non-native species over native species.

Findings: No non-native species will be used for the implementation of the Project and the terms of the Conservation Easements provide management guidelines in the use of best management practices to encourage natural plant communities that are resilient to the invasion of non-native plant species. Cattle are, of course, non-native species and Conservation Easements allow continued grazing on subject properties.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations:

REC 2008.6. The Project Proponents have considered the potential impact of cattle grazing on native prairie grasslands and conclude that acceptable grazing rates mimic the grazing patterns of native bison. Cattle, however, are not exact surrogates for bison and grazing can have some negative impacts on biodiversity in some situations. We recommend, therefore, that the Project Proponents review the literature comparing cattle grazing with bison grazing and evaluate its relevance, if any, to the Project design.

Indicator B1.3. Identify all IUCN Red List threatened species and species deemed threatened on nationally recognized lists that may be found within the project boundary. Project proponents must document how project activities will not be detrimental in any way to these species.

Findings: The PDD identifies all IUCN Red List threatened species as well as species deemed to be threatened on nationally-recognized lists that are believed to occur in the Project area. Project Proponents have considered the potential impact of Project activities on these species and have concluded that all would benefit from the conservation of native prairie grasslands. This conclusion is further supported by stakeholder comments (see Appendix B).

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator B1.4. Identify all species to be used by the project and show that no known invasive species will be used.

Findings: The Project does not include seeding or planting of any kind on lands subject to Conservation Easements. Cattle grazing will remain an allowed use on properties subject to Conservation Easements (see REC 2008. 6).

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None, but see REC 2008.6

Indicator B1.5. Guarantee that no genetically modified organisms will be used to generate carbon credits.

Findings: The proposed Project is designed to only protect native prairie grasslands and no additional seeding or planting is proposed.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.4.2. B2 – Offsite Biodiversity Impacts

The project proponents must quantify and mitigate likely negative offsite biodiversity impacts; namely, decreased biodiversity outside the project boundary resulting from project activities.

Indicator B2.1. Identify potential negative offsite biodiversity impacts that the project is likely to cause.

Findings: No negative offsite biodiversity impacts are anticipated.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator B2.2. Describe how the project plans to mitigate these negative offsite biodiversity impacts.

Findings: No negative offsite biodiversity impacts are anticipated.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator B2.3. Evaluate likely unmitigated negative offsite biodiversity impacts against the biodiversity benefits of the project within the project boundaries. Justify and demonstrate that the net effect of the project on biodiversity is positive.

Findings: No negative offsite biodiversity impacts are anticipated.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.4.3. B3 – Biodiversity Impact Monitoring

The project proponents must have an initial monitoring plan to quantify and document the changes in biodiversity resulting from the project activities (within and outside the project boundaries). The monitoring plan should state which measurements will likely be taken and which sampling strategy used.

Since developing a full biodiversity-monitoring plan can be costly, it is accepted that some of the plan details may not be fully defined at the design stage, when projects are being evaluated by the CCB Standards. This will especially be true for small-scale projects.

Indicator B3.1. Have an initial plan for how they will select biodiversity variables to be monitored, and the frequency of monitoring. Potential variables include species abundance and diversity, landscape connectivity, forest fragmentation, habitat area and diversity, etc. Biodiversity variables at risk of being negatively impacted by project activities should be monitored.

Findings: The PDD provides an overview of ongoing biodiversity monitoring efforts in the PPR. Data resulting from these efforts were used to prioritize which native prairie grasslands should be the focus of efforts to secure Conservation Easements. Ducks Unlimited and the USFWS then monitor their success or failure at achieving Conservation Easements on priority properties. The evidence for the biodiversity value of conserved prairie grasslands is overwhelming (see also stakeholder comments in Appendix B) and property-specific monitoring is neither cost-effective nor warranted. This is especially true at the scale of the proposed Project (i.e., 26,300 acres out of the entire PPR). Should the Project be expanded to a very large scale, it may become appropriate to directly monitor biodiversity values on subject properties.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.4.4. B4 – Native Species Use

In most cases, species that are native to a region will have a higher biodiversity benefit than non-native species. In other cases, non-native species can be more effective than native species for rehabilitating degraded areas or providing fast growing biomass, timber, fruits and other beneficial products. For instance a project may need to use non-native species on severely degraded land to achieve ecological restoration before native species can be reintroduced.

Indicator B4.1. Show that the project will only use species that are native to the region or justify that any non-native species used by the project are superior to native species for generating concrete biodiversity benefits (e.g., for rehabilitating degraded areas unlikely to support natives, or for producing fuel wood that reduces logging pressure on intact ecosystems).

Findings: The Project will be protecting native prairie grassland and will not involve seeding or planting of any kind.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

4.4.5. B5 – Water & Soil Resource Enhancement

Climate change and other factors may stress and degrade water and soil resources at the project site over time. Projects should enhance the quality and quantity of water and soil resources.

Indicator B5.1. Identify project activities that are likely to enhance water and soil resources.

Findings: Protection of native prairie grassland from conversion to cropland will avoid impacts to soil and water resources associated with erosion, herbicide use, pesticide application, and fertilizer use on cropland.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

Indicator B5.2. Credibly demonstrate that these activities are likely to improve water and soil resources compared to the baseline, using justifiable assumptions about cause and effect, and relevant studies.

Findings: Impacts to soil and water resources associated with intensive agriculture in the PPR are well-documented and avoiding the conversion of prairie grassland to cropland will completely avoid these impacts.

Conformance: Yes No N/A

Corrective Action Requests: None

Recommendations: None

5.0 CCB VALIDATION CONCLUSION

Following completion of SCS's duly-accredited validation process, it is our opinion that the *Ducks Unlimited Avoided Grassland Conversion Project in the Prairie Pothole Region* conforms to the CCBA Climate, Community and Biodiversity Project Design Standards (First Edition) at the Gold Level (see Appendix A).

General Section

Conformation

G1.	Original Conditions at Project Site (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
G2.	Baseline Projections (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
G3.	Project Design and Goals (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
G4.	Management Capacity (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
G5.	Land Tenure (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
G6.	Legal Status (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
G7.	Adaptive Management for Sustainability (Optional; 1 pt)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
G8.	Knowledge Dissemination (Optional; 1 pt)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Climate Section

CL1.	Net Positive Climate Impacts (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CL2.	Offsite Climate Impacts (“Leakage”) (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CL3.	Climate Impact Monitoring (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CL4.	Adapting to Climate Change & Climate Variability (Optional; 1 pt)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CL5.	Carbon Benefits Withheld from Markets (Optional; 1 pt)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Community Section

CM1.	Net Positive Community Impacts (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CM2.	Offsite Community Impacts (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CM3.	Community Impact Monitoring (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CM4.	Capacity Building (Optional; 1 pt)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CM5.	Best Practices in Community Involvement (Optional; 1 pt)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Biodiversity Section

B1.	Net Positive Biodiversity Impacts (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
B2.	Offsite Biodiversity Monitoring (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
B3.	Biodiversity Impact Monitoring (Required)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
B4.	Native Species Use (Optional; 1 pt)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
B5.	Water & Soil Resource Enhancement (Optional; 1 pt)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

CCBA Validation Level Attained:

APPROVED	(all requirements met)	<input type="checkbox"/>
SILVER	(all requirements met plus one point minimum from at least 3 different sections)	<input type="checkbox"/>
GOLD	(all requirements met plus six points minimum, at least one point from four different sections)	<input checked="" type="checkbox"/>

To Whom it May Concern

Subject: Ducks Unlimited Avoided Grassland Conversion Project in the Prairie Pothole Region

Comments:

*The U.S. Fish and Wildlife Service (FWS) has responsibilities under the international Migratory Bird Treaty Act to preserve and protect habitats for migratory birds. The Prairie Pothole Region (PPR) is a critical region in providing strategic wetland and grassland breeding and migration habitat for a host of migratory birds, notably waterfowl. The FWS has invested over \$100 million in the PPR acquiring over 2.7 million acres of conservation easements to protect this important habitat. However, the additional habitat protection needed to sustain current levels and productivity of migratory birds in the PPR is identified as requiring additional protection on 1.4 million acres of wetland and 10 million acres of grassland. This Ducks Unlimited project creates an incentive based program to further protect grasslands in the PPR and is supported by the FWS to help meet these conservation goals. The Ducks Unlimited program is a "value added" component to the long-standing and successful efforts to date of the FWS's grassland conservation easement program.

*An element of consideration in habitat conservation in the PPR is the fact that grasslands are being converted to other uses, primarily cropland, at a rapid rate. High commodity prices, genetically modified crops that are adaptable to newly converted lands, a movement to large farm operations and equipment requiring more land conversion to justify expansion, a lack of security or safety net for cattle operations creating an incentive for grassland conversion and the safety net that does exist under the current Farm Bill for farming which reduces the risk to farm marginal lands, are examples which result in grassland being converted to cropland. The estimate of Ducks Unlimited of a 2-3 percent annual loss of grassland is supported by the best available information. The FWS however, feels that this rate of loss rate or "threat rate" may be conservative based on the increased number of inquiries to the FWS from landowners interested in selling conservation grassland easements. We currently have a "waiting list" of landowners exceeding 600 interested in an alternative offer to conversion. Many landowners are faced with the issues noted above and the conversion threat of grassland to cropland is clearly on the increase.

*We would also point out that an ongoing rate of grassland loss has a compounding effect on the threat to the biological integrity of the grassland resource in the PPR. Each year the grassland habitat base is eroded further. Native prairie grassland is a finite resource, it cannot be restored and it is not being created. Once converted, the diverse flora ecological integrity is destroyed and cannot be re-created. Native grassland in the PPR is a resource of international significance because of the contribution to essential life cycle needs of migratory birds. Birds produced in the PPR, on the grasslands described in this Ducks Unlimited Project, are the birds that traverse the North American continent. There is no conservation threat anywhere in the world that surpasses the threat to native prairie grasslands in the PPR. Efforts to address this threat, such as the Ducks Unlimited Project, are essential for success in conservation. It is literally a race against time (conversion) and efforts such as this project are paramount to meeting this time need.

*In terms of the surety and compliance of the grassland conservation easements that are secured in this project, the FWS has made a full and complete commitment to ensure the provisions of the easements are complied with. This conservation easement program was first authorized by Congress in 1958, with 2008 being the 50th anniversary of the program. From the beginning to now 50 years later, to the continuing implementation of this conservation effort with the identified goals, compliance has always been a top priority of the program. A recent Government Accounting Office review of the compliance aspect of the conservation easement program resulted in a conclusion of effective application. The FWS for example, has 33 trained law enforcement officers that commit 6 man years of time in North and South Dakota alone, for annual monitoring of every individual easement. This type of commitment ensures a compliance rate of approximately 99 percent with only occasional and minor infractions that are quickly addressed. The total cost associated with all aspects of monitoring and compliance is approximately \$1 million per year. With the current and ongoing investment to conservation of habitats in the PPR, an investment in monitoring and compliance at this level is justified and is provided by the FWS. The

conservation easements secured through this Ducks Unlimited program would receive this level of commitment from the FWS.

Thank you for the opportunity to provide comments on this important program. Feel free to contact us if we can provide any additional information.

Lloyd Jones, Refuge Coordinator
U.S. Fish and Wildlife Service
3425 Miriam Ave
Bismarck, ND 58501
701-355-8529

On behalf of the North Dakota Game and Fish Department we would like to take this opportunity to provide comments on Ducks Unlimited's Avoided Grassland Conversion Project in the Prairie Pothole Region. We wholeheartedly support the efforts of Ducks Unlimited and this forward thinking and innovative project. A critical issue for our department is the loss of native prairie habitats to agricultural conversion. Every acre of native prairie lost means a loss in biological diversity that can never be replaced. Lost in our nation's efforts to preserve vanishing natural areas such as the Florida Everglades, Pacific Coast old growth forests, and the Arctic habitats of Alaska is the fact the most threatened of our natural areas is the grasslands of the Great Plains. Agricultural advances, wind power, coal mines, oil and gas development and urbanization all are putting incredible pressure on this biologically rich and diverse habitat. This project combines permanent protection of these areas with the next generation of conservation – carbon emissions management. Ducks Unlimited has always been a leader in conservation and in seeking out new and more effective ways to accomplish the mission of habitat and natural resource conservation. This project is evidence of that commitment and we encourage you to support their efforts. Thank you for the opportunity to provide comments.

Randy Kreil
Chief, Wildlife Division
North Dakota Game and Fish Department
100 N. Bismarck Expressway
Bismarck, North Dakota 58501
(701)328-6330

To: CCB Audit Committee
From: Keith Trego
Executive Director
ND Natural Resources Trust
1605 E. Capitol Ave., Suite 101
Bismarck, ND 58501
701/223-8501

Subject: Comments on Ducks Unlimited Avoided Grassland Conversion Project in the Prairie Pothole Region

Date: December 15, 2008

I'd like to add my voice to what I assume will be overwhelming support for the land protection and green house gas (GHG) reduction project undertaken by Ducks Unlimited (DU) in the Prairie Pothole Region of North and South Dakota. DU's work is both innovative and timely, responding simultaneously

to the world wide threat posed by uncontrolled GHG emissions and the threat of native prairie conversion brought about by unregulated land use and unprecedented speculation in the agriculture commodity markets.

DU's efforts capture both a contribution to a world wide environmental need as well as an environmental and economic opportunity for farmers and ranchers in the Dakotas. Combining long term land protection (permanent easement) payments through their partnership with the US Fish and Wildlife Service (USFSW) with one-time GHG purchase payments ensures both native prairie protection as well as economical capture of potential GHG emissions. The combination of these environmental and business activities creates an efficient approach to native prairie protection and world wide climate change.

The economic incentive created by the DU program assists agricultural producers and the communities in which they reside and participate by adding to both the cash flow of the community and sound land use that creates a sustainable agricultural base. Further, the program goes to the heart of the need to protect every acre of native grassland that remains in the Dakotas. Not only does retention of native grassland benefit untold resident and migratory wildlife species and combat dangerous world wide climate change, but the resulting long term grassland agriculture that emanates from it also provides long term economic stability for small communities throughout the region.

DU's Avoided Grassland Conversion Project in the Prairie Pothole Region is the most strategic, forward thinking approach combining land use protection and GHG reduction needs yet devised. Its certification would be a mutual benefit to both DU and to CCBS.

Thank you for consideration of my comments.

Dear Community, Climate and Biodiversity Alliance:

It has come to my attention that Ducks Unlimited, Eco Products Fund, and other affiliated entities have prepared and submitted their "Avoided Grassland Conversion Project in the Prairie Pothole Region" for certification under the Climate, Community, and Biodiversity Standard.

As an introduction, there are some 20 federally recognized migratory bird joint ventures that cover the United States of America and I serve as the Coordinator for the Prairie Pothole Joint Venture (PPJV). The PPJV encompasses parts of Montana, North Dakota, South Dakota, Minnesota, and Iowa and is served by a Management Board of high-level members from the respective states, nongovernmental organizations, and Federal agencies (including representatives from Washington, DC). The PPJV is one of the longest standing joint ventures and is widely recognized as one of the most scientifically advanced. Our mission is to implement conservation programs that sustain populations of waterfowl, shorebirds, other waterbirds and prairie landbirds at objective levels through targeted wetland and grassland protection, restoration and enhancement programs. The prairie pothole region (of which PPJV covers the U.S. portion) is internationally known as the "Duck Factory" and its importance to other grassland and wetland dependent nesting birds is well known. The boundaries of our joint venture encompass one of the most threatened ecosystems (prairie grasslands) in the country and our goal is to protect 10.4 million acres of grasslands and 1.4 million wetland acres. We arrived at these habitat goals using robust data sets and sophisticated models to calculate the amount of habitat necessary to support specific bird population objectives. Unfortunately, our ability to make substantial gains toward our habitat goals is less than desired due to lack of funding and more disturbing, the continued loss of native prairie habitat.

The report aptly notes, "public policies and demand for food and fiber are the primary economic drivers that make it increasingly attractive for landowners in the Project Area to cultivate native grassland.....The U.S.

Federal Government's strong push for biofuels policies is a driver of grassland conversion into cropland." Our general observations and analyzed data show that we are losing native prairie across the landscape. Sadly, according to the report, model-based predictions suggest that 73% of native prairie grassland in existence today will be lost in the next 99 years - unless we can continue our efforts. The authors of the report, and myself included, certainly recognize and respect the rights of each individual landowner. It is from this perspective that I comprehend the multiplicity of benefits from the "Avoided Grassland Conversion Project" and therefore believe it is worthy of your consideration - the easements discussed in the report are completely voluntary; they provide the landowner with multiple options for their lands, including an important source of revenue; the easements help provide the migratory bird habitat that my Joint Venture is ultimately trying to conserve; and the overall benefit to the environment is reduced CO2 emissions.

I briefly touched on the benefits of the Project Area to migratory birds, however I would like to expand my comments on this subject. Unfortunately, I can not speak to the overall biodiversity of the prairie landscape beyond birds as that is not my area of expertise. The PPJV is committed to the implementation of four internationally recognized bird plans and those plans are as follows: The North American Waterfowl Management Plan (NAWMP), Partners in Flight (PIF), The U.S. Shorebird Conservation Plan, and the North American Waterbird Conservation Plan. As the report correctly states, the NAWMP recognizes the prairie pothole breeding habitat as its top priority for protection (this includes both U.S. and Canada), so I commend the effort of this project to secure much needed nesting habitat in this region. The report continues by discussing the importance of this region to a number of high priority species of concern, including Baird's sparrows, Nelson's sharp-tailed sparrows, and Sprague pipits. These species utilize large blocks of undisturbed grassland habitat and as this project continues toward fulfilling its goals the habitat they secure will certainly benefit bird populations. Shorebirds use this region for both nesting and migration and as the report notes, a number of shorebird species nest in a landscape of wetlands and grassland. In addition, the productivity of the wetlands are vital to the millions of shorebirds that migrate through this area. As a result, the protection of native prairie will provide the necessary nesting cover for these birds and help protect wetlands from sedimentation and other forms of degradation.

Lastly, I will speak to the "Management Capacity" section of the report and the overall approach of Ducks Unlimited on the landscape. In various capacities, I have worked with Ducks Unlimited over the years and have found their organization to be visionary, innovative, and responsible. The project under your review is no exception. As an organization, their primary focus is on waterfowl, however they recognize - through research - that wetlands and grasslands benefit a host of species beyond waterfowl. Moreover, they recognize - through research - that maintaining native prairie helps to sustain biodiversity, yet also captures climate altering gases. As noted earlier, the PPJV is often mentioned in the context of its scientific abilities and landscape planning tools. The Ducks Unlimited staff stationed in Bismarck, ND, contribute significantly to the scientific ability and credibility of the PPJV. As noted in the report, they invest the time, money, or human resources to conduct the necessary research to better inform land management decisions. Consequently, I hold a high level of confidence in their CO2 reduction estimates, because of my past experience working with their scientists. Further, the report notes that, "Ducks Unlimited is a community-oriented organization and works across the entire community to deliver conservation outcomes and benefits." Based on my experience I find this to be an accurate statement. I suspect securing 26,300 acres of grassland easements is only the beginning. Ducks Unlimited and other partners involved in this program have the knowledge and ability to further grow the footprint of conservation. And finally, the report discusses the presence and activities of the United States Fish and Wildlife Service (FWS) in the Project Area, therefore I will not go into any length of detail in my comments on this particular topic. Nonetheless, I will note that the FWS has a large financial investment and presence through their ongoing easement program in the Dakotas, so they annually fly their easements to ensure ongoing compliance. As a result, the easement program has considerable oversight and strong assurance of compliance (or mitigation should a violation be identified).

In closing, this report is well written and to my knowledge biologically correct. The growth of this program is very important to our continuing efforts to secure the habitat needed by nesting and migrating birds. Moreover, it is these same habitats that can help, at least in some way, our country reduce its carbon footprint. Please give the report your full consideration.

Thank you,
Casey Stemler
PPJV Coordinator

TO: Climate, Community & Biodiversity Alliance
FM: Genevieve Thompson
Vice President & Executive Director, Audubon Dakota
RE: Ducks Unlimited Avoided Grassland Conversion Project in the Prairie Pothole Region

Thank you for the opportunity to provide input into the *Ducks Unlimited Avoided Grassland Conversion Project in the Prairie Pothole Region*. I am pleased to be able to provide positive input into the importance of this undertaking, and to briefly review the multiple benefits that result from their undertaking.

Audubon's mission is to conserve and restore natural ecosystems, with a focus on birds and their habitats, to benefit biological diversity. In the Northern Great Plains, that involves a primary focus on the grassland- and wetland-dependent birds, and the protection of the prairie ecosystem upon which these species depend. Ducks Unlimited's Avoided Grassland Conversion Project brings significant and measurable benefit to the protection of this vital ecosystem, by offering the private landowners who are the stewards of 90% of the grassland ecosystem in the Dakotas with the opportunity for remuneration to protect this resource.

The innovative program that Ducks Unlimited is implementing offers an alternative for private landowners to the increasing threats posed by agricultural conversion and the loss of native prairies, exacerbated more recently by increasing demand for crop-based biofuels and the concomitant escalation of land and commodity prices. There is an added social dimension to the Grassland Conversion Project delivered by Ducks Unlimited and its partners. Providing economic incentives to maintain, protect and restore native prairie stabilizes the small communities that populate a significant percentage of our rural states, and increases the likelihood that these private landowners will continue to make a living by protecting native grasslands.

The native grasslands and wetlands of the Prairie Pothole Region are home to an amazing diversity of bird species, many of which are threatened with significant decline. Grassland species such as the Baird's Sparrow, Grasshopper Sparrow, Chestnut Collared Longspur and too many others are declining to the point where they have been included on Audubon's Watchlist and on the North Dakota State Level I List of Species of Conservation Concern. Ducks Unlimited's Avoided Grassland Conversion Project will contribute significantly to the permanent protection of habitat vital to these declining species.

Finally, the contribution of this project to the daunting issue of climate change that confronts us bears mention. The native grasslands of the Northern Great Plains have a significant propensity to sequester carbon, and Ducks Unlimited's project ensures that this will be perpetuated in the acres included within their project. By providing these grasslands with permanent easements, the "champagne cork" of carbon

release that results when native prairies are turned over will be avoided in perpetuity.

Thank you for the opportunity to provide input. Please don't hesitate to contact me if I can provide additional information and/or clarification. And all the best in your important undertaking.

Genevieve Thompson
VP/Exec. Dir., Audubon Dakota
118 Broadway Suite 512
Fargo ND 58102
701.298.3373 (w)
701.298.9097 (f)
701.866.9249 (c)
gthompson@audubon.org

The following comments are submitted by Mark Liebig, USDA-ARS, Research Soil Scientist, Mandan, ND.

Comments are listed by page number.

P.14. There may be value in adding a paragraph within the 'Peer Reviewed Literature' section regarding measured C change under native rangeland (as measured by Al Frank from 1996 to 2001; see reference appended below). Dr. Frank observed a CO₂-C accrual rate of 0.3 Mg/ha/yr. It's difficult to tell if this accrual rate can be maintained under projected climate change for the region, but it at least lends evidence that there's an inherent C buffer for native range (as opposed to just maintaining SOC stocks).

Furthermore, the CCX rangelands offset committee has assigned a C accrual rate for native range within the CMT/CMD of 0.08 Mg C/ha/yr or 0.16 Mg C/ha/yr (depending on management; see www.chicagoclimateexchange.com for details). These are conservative rates, but again, there's evidence that SOC accrues under native range within the project region.

P.15. While there's adequate SOC stock data in Table 1 for the CTM, Liebig et al. (2006) observed a range of 82.1 to 93.3 Mg C/ha (0-30 cm) for native range sites near Mandan (reference appended below).

P.24. There may be value in using a more conservative Fmg factor in the IPCC stock change assessment. It is doubtful producers would use full tillage (Fmg=1) throughout the entire project region, particularly in northwest ND where drier conditions warrant the use of no-till for successful crop production. Though the change is minor, please consider using reduced tillage Fmg factors of 1.02 (temperate, dry) and 1.08 (temperate, moist).

Frank, A.B., 2004. Six years of CO₂ flux measurements for moderately grazed mixed-grass prairie. *Environ. Manage.* 33 (S1), S426-S431.

Liebig, M.A., J.R. Gross, S.L. Kronberg, J.D. Hanson, A.B. Frank, and R.L. Phillips. 2006. Soil response to long-term grazing in the northern Great Plains of North America. *Agric. Ecosys. Environ.* 115:270-276.

Mark A. Liebig, Ph.D., CPSSc
USDA-ARS-NGPRL

The following comments were provided by Barry Botnen:

I am commenting on the Ducks Unlimited (DU) Avoided Grassland Conversion Project in the Prairie Pothole Region. DU is a partner in the Plains CO₂ Reduction (PCOR) Partnership. The PCOR Partnership is one of seven U.S. Department of energy (DOE) National Technology Laboratory (NETL) Regional Carbon Sequestration Partnerships (RCSPs). The PCOR Partnership region includes all or part of nine states and four Canadian provinces and is managed by the Energy & Environmental Research Center (EERC) at the University of North Dakota (UND) in Grand Forks, North Dakota.

Through the fall of 2009, the PCOR Partnership has been developing and conducting a terrestrial field validation test that is designed to develop the expertise, real-world experience, and business models needed to implement full-scale, long-term terrestrial CO₂ sequestration. This will, in turn, result in greenhouse gas reductions and salable carbon offsets.

Scientific Certification Systems, Inc.
March 2009

DU has done a wonderful job addressing issues not only pertaining to carbon retention in native prairie, but also the importance of biodiversity and the values of the many co-benefits that this program will protect. This project truly has no downside, DU follows its mission of protecting habitat in the Prairie Pothole Region of the United States, and at the same time global climate change issues are addressed. This document provides a great level of detail and a sound scientific foundation for this project.

Barry Botnen
Research Scientist
Energy & Environmental Research Center
15 North 23rd Street
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(701) 777-5181
bbotnen@undeerc.org

The following comments were provided by Dr. Neal Niemuth:

I was asked by staff at the Northern Great Plains Office of Ducks Unlimited to comment on their avoided grassland conversion project for the U.S. Prairie Pothole Region. In my opinion the document accurately portrays conditions and threats to grasslands, wetlands, and biodiversity in the Prairie Pothole Region. If anything, the document understates the importance of the Prairie Pothole Region to wildlife. The Prairie Pothole Region not only has high species richness for grassland birds, wetland birds, and shorebirds, but supports large proportions of the continental populations of many of these species. The low human density in the region along with high interest in conservation easements and an established conservation mechanism (i.e., the USFWS easement program) makes the Prairie Pothole Region an efficient, cost-effective place for conservation action.

Please feel free to contact me if I can assist with any questions regarding wildlife in the Prairie Pothole Region, and thank you for considering Ducks Unlimited's proposal.

Neal

Neal D. Niemuth, Ph.D.
Habitat and Population Evaluation Team (HAPET)
U.S. Fish and Wildlife Service
3425 Miriam Avenue
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