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## The Low Carbon Agenda

No.10 / November 2008

### The Offsetting Controversy

No environmental management issue has raised more fuss in the media than carbon offsetting. To some it is a con, others see it as an effective way to deal with carbon emissions, and some see it as a lucrative business opportunity.

I've been unable to get everything you need to know about offsetting into one newsletter, so this one will look at the 'moral debate' and next month we'll go into the offsetting process itself.

All the very best,

Gareth

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### What Is Carbon Offsetting?

Reducing your organisations carbon footprint to a sustainable level internally can be extremely difficult, eg you may not have control over your building, or the low carbon options open to you may simply be unaffordable.

In the late 1990s a number of companies and charities proposed a new model where people and organisations could calculate their carbon emissions and neutralise them by investing in projects which would reduce global carbon emissions by the same amount. The earliest offsetting projects involved tree planting - relying on the new trees to remove carbon dioxide from the atmosphere through photosynthesis, but soon other projects involving energy efficiency and renewables emerged.

More recently a second type of offset has emerged - purchasing and effectively tearing up carbon emission allowances from carbon trading schemes such as the EUs Emissions Trading Scheme (EUETS). By lowering the number of emissions in the pool, somebody somewhere will have to cut their carbon emissions by the amount offset.

### The Case for the Prosecution

Carbon offsetting is probably the most controversial issue in the environmental world. Writing in the Guardian, the environmentalist George Monbiot likened offsetting to the 15<sup>th</sup> Century Dutch practice of buying indulgences - paying for God's pardon for crimes such as incest, lying or murder. The right-on magazine New Internationalist dedicated a whole issue in July 2007, entitled "CO<sub>2</sub>NNED!", to a demolition job on the offsetting industry, presenting their case with all the subtlety of a tabloid newspaper pursuing a suspected paedophile. CheatNeutral.com, a joke website, satirised offsetting by purporting to let people offset their infidelity by paying other people to be faithful. An embarrassingly public blow came when the band Coldplay announced it would offset the environmental impact caused by the release of its second album in 2002 by planting 10,000 mango trees in southern India - but many of the trees died within a year to the great embarrassment of the band.

### The Case for the Defence

Peeling back the layers of bile, the central criticisms of carbon offsetting appear to be:

1. They allow us to pollute without guilt;
2. They deflect attention from the real problem;
3. The ineffectiveness of some offset projects, particularly those in the third world.

In terms of deflecting from the real problem, the act of measuring your carbon footprint can be an eye-opening experience, adding to, rather than absolving one's guilt. The normal initial reaction to such a measurement is to consider how to reduce the excesses. Then, when you spend money on an offset, you are effectively paying a voluntary carbon tax ringfenced to tackle climate change. It is almost impossible to understand why any environmentalist could criticise this.

In regard to the effectiveness of projects, there are good and bad operators in any field of human endeavour. The CarbonNeutral Company, target of criticisms of their early tree planting projects, has developed a 30 page CarbonNeutral Protocol which enshrines the measure-reduce-offset principle and requires rigorous documentation of the offsetting projects. The exact amount of carbon absorbed by trees is open to debate, but done properly and in the right place, planting trees is better for the environment than not planting trees. Investing in renewables is less controversial and, I would argue, increased investment in third world renewables can help those countries develop while bypassing the dirty, centralised, inefficient energy generation system we are burdened with in the West.

Even the New Internationalist calmed down sufficiently to admit "there is absolutely nothing wrong with funding renewables and even some well-designed and appropriate tree-planting projects. Just don't equate them with a license to pollute."

The sticking point seems to be the economic mechanism - the buying of carbon credits - which seems to offend the hairshirt brigade, whether or not it works. This ideological aversion to trading as a potential force for good is, in my opinion, short-sighted.

## To Offset or Not To Offset?

If you accept my argument that offsetting is not immoral per se, the question of whether or not you should adopt offsetting is a completely subjective one. Some businesses see the offset as an extra carbon tax which encourages them to drive down their emissions, others feel that the money would be better invested in cutting emissions directly.

My advice is: if you have much scope to reduce your carbon footprint through investment (eg you have an elderly manufacturing plant) then invest, but if you don't have much control over your emissions (eg you rent office space), then you should seriously consider offsetting as part of your environmental programme.

## Next Month

Next month we will look at offsetting schemes in more detail, how to choose a good one and some dos and don'ts.

## Low Carbon News

The BSi, along with the Carbon Trust and DEFRA, have just released the PAS2050 carbon footprinting standard for goods and services along with a guide to its use. [You can download it for free from the BSi website.](#)

The credit crunch seems to have hit the environmental sector with recycle prices, carbon prices and clean tech shares all slumping in the last quarter, according to articles in the latest edition of the [ENDS Report](#).

Hopes that the Chancellor would announce a package of green capital measures covering incentives for wind farms, solar power and tidal barrages in his pre-budget report this week have been dashed, and replaced with a promise of 10,000 jobs installing home insulation (source: [The Guardian](#)).

## Tip of the Month

In the UK, get tax relief on energy efficient investments through the [Government's Enhanced Capital Allowance](#) scheme.

The small print:

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