

Carbon offsetting



Friends of
the Earth
Scotland

12 June 2007

1. Introduction

Friends of the Earth Scotland welcomes the opportunity to contribute to the debate on carbon offsetting ahead of the Scottish Green Party debate on Thursday 14 June. This briefing aims to provide an introduction to the topic.

2. What is carbon offsetting and how does it work?

The principle behind carbon offsetting is that the carbon emissions generated through an activity (such as driving or flying) are calculated and someone is then paid for an initiative that reduces carbon dioxide in the atmosphere by an equivalent amount.

Initiatives that can generate carbon offsets include energy efficiency projects (e.g. installing energy saving technologies in housing developments), renewable energy schemes (e.g. wind farms) or tree-planting schemes which can take carbon dioxide out of the atmosphere. Often these schemes are in developing countries.

3. What does Friends of the Earth think about carbon offsetting?

Carbon offsets have a limited role to play in increasing awareness about the personal activities that cause climate change, providing additional opportunities for personal action, and channelling funds to projects which can efficiently reduce emissions. If they are to play such a role, they must be effectively certified and accredited.

Friends of the Earth Scotland has a number of reservations about current carbon offsetting, however. These include the following:

- Individuals and organisations that are considering cutting emissions may be encouraged not to bother – because they can offset instead.
- Offsets may lead to more reductions being made in poor developing countries than in the rich countries that contribute most to the problem. We no longer have the luxury of living energy wasteful lifestyles in wealthy countries while using our money to reduce emissions overseas. The rich world needs to *both* reduce its emissions substantially and rapidly *and* help developing countries develop clean low carbon technologies.
- Offsetting infers a way to carry on with the polluting activity and may lead to damaging delays. The longer we delay action on actually cutting emissions, the worse the problem gets and the harder it will be to cut them later on (so for example, in Scotland, if we offset emissions from car journeys but continue to build new roads, it will be harder to cut emissions later on when the roads have been built).

Friends of the Earth Scotland

Lamb's House, Burgess Street, Leith, Edinburgh, EH6 6RD

Tel 0131 554 9977 Fax 0131 554 8656 Email info@foe-scotland.org.uk Website www.foe-scotland.org.uk

A Scottish Charity: SC003442

- The environmental credentials of many of the credits and the contribution of the projects to sustainable development are often questionable. Money for an offset scheme should only be funnelled to projects that would not have happened unless the offset money was provided.
- There are uncertainties over carbon accounting and a lack of reliable verification of the schemes, which mean that the reported emissions reductions may be exaggerated.
- Projects can be imposed on developing country communities with no consultation, and can lead to social problems, such as the exclusion of indigenous communities from forest lands.
- Tree-planting schemes are particularly problematic and should be ruled out of any offset scheme. Large scale plantations have decreased biodiversity, displaced people and caused social disruption. Doubts have recently been cast on the contribution of trees outside the tropics in reducing CO₂ levels and the science is uncertain.

4. Government action – creating a low carbon economy

Government can influence behaviour at both the individual and corporate level by sending clear signals about what we need to do. That's why we're campaigning for strong climate change laws that commit the UK to making annual reductions in carbon emissions across all sections of society. We also support a Scottish climate change law, because many of the policy levers are devolved.

For companies to invest in new carbon-saving products and procedures they need to be confident that the Government is determined to move towards a low-carbon economy. Governments need to provide certainty through firm long term and annual targets for greenhouse gas cuts. Governments also need to set the right framework of fiscal, planning and regulatory measures to deliver on their targets.

5. What does Friends of the Earth Scotland recommend?

The priority must be for governments, businesses and individuals to do all they practically can to cut down or avoid carbon emissions (before considering offsets).

Friends of the Earth Scotland recommends that offsetting is only considered as a last resort (after comprehensive measures to avoid and cut emissions across activities). Because there is a small role to play for offsetting schemes, these need to be properly regulated. Currently the best projects meet the 'Gold Standard' (which ensures the project is genuine, additional and really delivers useful benefits).

Governments may choose to use commercial carbon offsets to compensate for *operational* emissions from Government activity that cannot otherwise be eliminated (from buildings management or ministerial travel, for instance). However such an approach must not be seen as an alternative to achieving operational emissions savings. Elsewhere we have suggested such savings should be sought at a rate of at least 5% a year.

On the other hand Friends of the Earth Scotland does not believe that it is appropriate or desirable for Governments to buy carbon offsets to compensate for emissions *resulting from policy decisions*. If a Government chooses to adopt a policy which would increase emissions (e.g. building additional road capacity), then in principle any offsetting would be most reliably delivered by additional policy action elsewhere (for example increased investment in energy efficiency).

6. About Friends of the Earth Scotland

Friends of the Earth Scotland is an independent member of the Friends of the Earth International network. We undertake research, advocacy and community development activities throughout Scotland in pursuit of environmental justice and sustainability.

For further information please contact:

Chas Booth
Parliamentary Officer
 cbooth (at) foe-scotland.org.uk