



What is the value and role of carbon offset?

The simple answer to this question is that carbon offsets are worthwhile if used as part of an integrated carbon management programme that includes emissions reduction as a primary aim. They are better than doing nothing about emissions, but not a substitute for emissions reduction. Best practice in carbon management dictates that they are to be used for those emissions that cannot be saved. The purpose of an offset is to balance a quantity of emissions with a corresponding saving, through carbon storage or carbon saving projects. The offset alone will not prevent carbon induced climate change, but they are an important part of the drive to stabilise atmospheric carbon at 550 parts per million by 2050. In the crudest sense they are helping to buy time whilst behavioural change, technology and legislation begin to actually reduce emissions.

Media scrutiny of offsets frequently portrays them as a licence to pollute, sold by companies motivated solely by profit and deliver highly questionable project benefits. This emotive portrayal rarely examines their value and the context in which they should be assessed. It has had the effect of confusing individuals and companies alike and created a paralysis of action through a failure to explore the role and relevance of offset.

There is no such thing as a licence to pollute, and responsible offset providers are full service carbon management companies helping corporate and individual customers to reduce emissions. There may indeed be the carbon equivalent of the collapse of Barings, which even the forthcoming government standards may not prevent, just as the heavy regulation of the financial sector failed to save Barings. However, any balanced examination of the voluntary and certified offset sector will find valuable carbon benefits being delivered by committed practitioners.

The offset is frequently used as a primary engagement tool, with purchasers gaining their first experience of carbon calculation and action. This process involves calculation and initially delivers an understanding of how activity links to carbon at a micro level, in an environment dominated by macro level information. Responsible offset providers promote reduction alongside mitigation and this educational function is key to developing the awareness and behavioural change that is so essential to emissions reduction.

Offset purchase as an alternative to reduction is not a realistic or sustainable stance to adopt and is not a suggestion that will be found from the carbon management community. This has not prevented a number of high profile companies declaring “Carbon Neutral” status based primarily upon offset purchase, but the consequence of this may be a consumer backlash as consumers become more carbon literate. The

claim of carbon neutrality implies a state of grace that is illusory and adds to the notion that carbon emissions reduction is easy to achieve, which it is not.

At a government level the international community have decided upon emissions cap and trade as a mechanic to limit and reduce emissions. The offset unit forms part of this cap and trade approach and is crudely designed to tax polluters and turn their money into carbon storage and reduction. Voluntary offsets are a voluntary tax and subject to credible projects, perform the same function. This is an infinitely superior mechanic to the government taking another £1 billion in Air Passenger Duty increases as a green tax, which does nothing to reduce emissions.

For offsets to be effective they must be matched by proper calculations. All emissions from travel relate directly to the carbon content of the fuel used. This is calculated for company emissions auditing purposes as an average. This average can be improved upon and is by some companies to help influence choice and policy. The frequent surprise demonstrated by many commentators in relation to carbon calculator discrepancies is always accompanied by a failure to examine the rationale behind underlying calculations and a demand for more standards. Most UK calculators use government reporting standards, some use their own research and some include a radiative forcing uplift. Those using their own research all indicate the methodology, allowing users to make up their own minds on their efficacy and suitability. There is no question now or in the next few years of calculation methods being available that are accurate to the last gram of carbon dioxide. Standards already exist and will improve. The clamour for more standards and the delivery of the last gram reporting is an easy excuse for inaction, in an environment where time is a commodity we are short of in the climate change challenge.

Offsets have a carbon value, but it must be placed in the context of our need to reduce emissions as a primary response. The secondary or even tertiary role of offsets in any carbon reduction programme does not diminish their value. More common sense and greater carbon literacy will allow consumers and companies to evaluate their role. The UK has no ring fenced green taxes, creating a climate where emitters are obliged to use non governmental routes to achieve tangible carbon emissions mitigation. There is however no substitute for reducing our emissions as an urgent and primary carbon policy.