



## Joint statement on offsetting carbon emissions - by Friends of the Earth, Greenpeace and WWF-UK

**August 2006**

### Background information

A carbon offset negates the release of one tonne of CO<sub>2</sub>e (carbon dioxide equivalent) by avoiding the release of, or removing from the atmosphere the same amount of CO<sub>2</sub>e somewhere else. Carbon offsets can be generated by a number of activities such as energy efficiency (e.g. installing energy saving technologies in housing developments), renewable energy (e.g. wind farms) and sink (e.g. forestry) projects.

A growing number of individuals, businesses and government departments are claiming that all or parts of their activities are 'carbon neutral' through the purchase of carbon offsets. At the same time, government and business are showing strong interest in buying offsets under the Clean Development mechanism (CDM)<sup>1</sup> to meet targets under the Kyoto Protocol or the EU Emissions Trading Scheme.

### Key criteria

Friends of the Earth, Greenpeace and WWF recognise that a market for voluntary carbon offsets is rapidly developing, and that these can be used to help catalyse the transition to non-fossil fuel based energy systems in offset host countries and to encourage greater energy efficiency. Carbon offsets do not, however, reduce emissions overall and therefore purchasing offsets should only be seen as a last resort after other measures to reduce or avoid emissions have been thoroughly explored and acted upon.

As environmental campaigners, we are concerned about the potential of these projects to be used as a way for businesses to argue there is no need for legislation that will curb emissions from their sector. Purchasing offsets can be seen as an easy way out for governments, businesses and individuals to continue polluting without making changes to the way they do business or their behaviour. In particular there are strong concerns over the environmental credibility of the credits and the contribution of the projects to sustainable development.

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<sup>1</sup> The CDM allows industrialised countries, or companies, to gain emissions credits by investing in greenhouse gas reduction measures in developing countries which have not taken on emission reduction targets under the Kyoto Protocol. Supporters of the CDM see it as a tool to promote the transfer of cleaner technologies to developing countries.

If/when we buy offsets to offset unavoidable work related emissions - Friends of the Earth, Greenpeace and WWF are committed to only purchasing offsets from projects which have been certified by the Gold Standard – an independent, transparent, internationally recognised benchmark for ‘high quality’ carbon offset projects<sup>2</sup>. The Gold Standard, amongst others, only certifies projects which meet the following criteria:

- they must be energy efficiency or renewable energy projects (this includes methane to energy in certain circumstances<sup>3</sup>);
- they must pass a sustainable development screen i.e. there must be evidence that the project is making a real contribution to sustainable development and that it benefits the local community;
- they must only provide an energy service that helps catalyse the transition to non-fossil fuel based energy systems. Projects which generate credits from the destruction of industrial waste gases such as HFC’s are not eligible. These projects have little or no wider sustainable development benefits; and
- they must follow a conservative, guided interpretation of the additionality requirement that is necessary to demonstrate that a project delivers real emission savings which would not have occurred anyway under ‘business as usual’.

Furthermore, the Gold standard excludes forestry, large scale hydro power (e.g. over 15MW) and energy from waste (incineration) projects. For further information please see the Gold Standard’s website (<http://www.cdmgoldstandard.org>).

Reforestation - sink projects

Examples of why we do not support forestry sink projects are as follows:

- although trees absorb CO<sub>2</sub> whilst they are living, it cannot be guaranteed that a new forest will be permanent. It is eventually likely to succumb to disease, fire, or logging – releasing the CO<sub>2</sub> into the atmosphere once again;
- depending on the method used to calculate the amount of CO<sub>2</sub> stored - whether other pools of carbon in the forest are taken into account (e.g. soil, leaf litter), and other factors – estimations of the amount of CO<sub>2</sub> that a forest can absorb can differ vastly;
- large-scale monoculture tree plantations often have negative impacts on the environment and forest communities; and
- buying forestry offsets does nothing to lessen society’s dependence on fossil fuels to generate its energy – something that is ultimately needed to address climate change.

Recommendations

#### **Purchasers**

- 1 In order to ensure that the purchase of offsets is not seen as a solution to the growth in emissions we would encourage individuals, business and governments to first do all they

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<sup>2</sup> As well as certifying CDM projects the Gold Standard also recently launched the Gold Standard for voluntary offset projects

<sup>3</sup> The key criterion is that the methane captured is used to provide an energy service, thus replacing the need for fossil fuel.

can to cut down or avoid emissions of greenhouse gases before considering the purchase of offsets.

- 2 Only purchase offsets that comply with the criteria laid out in this document e.g energy efficiency or renewable energy projects which support the transition to non-fossil fuel based energy systems, projects which make a valid contribution to sustainable development and deliver a real additional emission saving - and where available purchase credits from projects which have been certified by the Gold Standard. Examples of online retailers which sell offsets from projects which meet the Gold Standard criteria include Myclimate ([www.myclimate.org](http://www.myclimate.org)), Atmosfair ([www.atmosfair.de](http://www.atmosfair.de)) and Climate Friendly ([www.climatefriendly.org](http://www.climatefriendly.org)). However, most organisations selling offsets should be able to provide Gold Standard credits if asked to do so.

#### **Sellers/brokers**

- 1 We would encourage companies who sell offsets or act as brokers to only source projects which comply with the criteria laid out in this document and, where available, have been certified by the Gold Standard. Application of the Gold Standard criteria should be encouraged to support the establishment of a transparent market benchmark.
- 2 We would also encourage companies to market their products responsibly i.e. present them as an additional action that the public, companies and government can take once they have done all they can to reduce their emissions directly.

#### **For further information please contact:**

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