



Energy Co2 : Emission Trading

Pay as You Go: The Pros and Cons of Carbon Offsets

Carbon offset companies are in the business of “neutralizing” the carbon footprints of consumers, companies, and even rock bands. Requiring only a credit card and a few mouse clicks, clearing your climate conscience has gotten easy. Too easy?



Flying on airplanes, like this one seen against a New Delhi sunrise, is very carbon-intensive. Offsets for flights have become a popular alternative when flying cannot be avoided (Photo: Reuters)

Feeling a little guilty about your jet-set lifestyle? Guilty that your recent holiday flight has made you responsible for more carbon emissions than the average Indian emits in a whole year?

You are not alone. Prince Charles, George Clooney, or The Rolling Stones all have the same problem. They may have a reputation as Green advocates, but they still have to fly all over the world to do what made them famous. How do they do to balance their impact on the climate?

They offset, meaning they pay others to reduce their emissions for them. Since the Kyoto Protocol introduced this idea, offsetting has channeled billions of dollars into a variety of carbon emissions-reducing projects, from tree planting in China to wind farms in Brazil.

Now, with rising public awareness about climate change, dozens of companies are offering individuals - not just governments - the chance to calculate and offset their emissions. What first seemed a novel concept for celebrities and rock bands has become mainstream. Many airlines now even ask if customers booking tickets if they want to pay a little extra to neutralize the carbon emissions of the journey.

Modern indulgences?

Despite the growing popularity of offsets, some believe that paying third-parties to neutralize carbon emissions gives individuals a false sense of having "done their bit" about climate change.

"Carbon offsets themselves are a fictitious commodity created to take advantage of people's concerns over climate change," says Kevin Smith, head of Carbon Trade Watch at the Amsterdam-based Transnational Institute.



Picture Gallery (click on the image to start)

Carbon offsetting companies promise to neutralize greenhouse gas emissions. Does it work? (Photo: Reuters)

Smith sees at least three problems. He is skeptical about the methods by which companies erase people's "climate sins." He dismisses the underlying assumption that CO₂ emissions, once in the atmosphere, can be neutralized at all. He also fears that offsets distract people from making the "bigger systemic changes," like policy shifts and changing consumption patterns, needed to address climate change.

Offset companies, says Smith, "are taking people's impetus to do something about climate change, and commodifying it. They are turning it into this little market transaction that just involves people clicking on the mouse button and paying a nominal sum of money and absolving their consciences."

Buyer beware

Inevitably, there are credible carbon offset companies and those that lack transparency. A 2007 report by the Tufts Climate Initiative at Tufts University surveyed how 13 different companies operated offsets for air travel. In the end, only four of those companies could be recommended.

One of these was atmosfair, a German non-profit organization that offsets air travel. Despite its relatively high costs - around 17 dollars to offset a ton of CO₂ - the survey recommended atmosfair, on the merits of its transparency and the quality of the projects it sponsors.

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atmosfair adheres strictly to the Gold Standard, which was set up by the Worldwide Fund for Nature (WWF) and other environmental NGOs in

2003 as a quality criterion for voluntary carbon offset projects. Gold Standard projects are based exclusively on either renewable energy or energy efficiency. Unlike many offset companies, the Gold Standard does not recognize planting trees as a way to offset emissions, since reforestation does not promote the "behavior change" needed to reduce the production of carbon emissions.

Klaus Milke, executive chairman of Germanwatch, the NGO that co-founded atmosfair in 2003, says that offsetting carbon by planting trees might sound good, but it is double-edged, since these trees could be cut, or worse, burnt in a few years, which would cancel any climate benefit.

"Deforestation is one of the biggest problems in the world - also for the climate," says Milke. "But we need other instruments for that, besides offsets." Once you have lobbied your government about deforestation and asked them for tighter regulation of airline emissions, Milke says that offsets can then be an acceptable fall-back option if you cannot avoid flying.

"There is always a best solution and a second-best solution, and offsets are a second-best solution," says Milke. "Nevertheless, you can't always choose the best solution, and for these occasions, it's better to do the second-best thing than to do nothing."

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publishing date: February 12, 2008

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