

Carbon Offsetting

With bands like Coldplay and Pink Floyd releasing carbon-neutral albums, airlines like Silverjet claiming carbon neutrality and a growing troop of celebrities trumpeting their low-carbon lifestyles, a person might wonder how they all do it. How do bands, businesses and people cancel out what seems like an unavoidable emission? [Carbon neutrality](#) begins with reduction. It's a concentrated effort to produce less waste and use more renewable energy. After reduction has reached its limit, or its comfortable threshold, **carbon offsets** can make up for the rest.

Carbon offsets are a form of trade. When you buy an offset, you fund projects that reduce **greenhouse gas** (GHG) emissions. The projects might restore forests, update power plants and factories or increase the energy efficiency of buildings and transportation. Carbon offsets let you pay to reduce the global GHG total instead of making radical or impossible reductions of your own. GHG emissions mix quickly with the air and, unlike other pollutants, spread around the entire planet. Because of this, it doesn't really matter where GHG reductions take place if fewer emissions enter the atmosphere.

Carbon offsets are voluntary. People and businesses buy them to reduce their [carbon footprints](#) or build up their green image. Carbon offsets can counteract specific activities like air travel and driving or events like [weddings](#) and conferences.

Some environmentalists doubt the validity and effectiveness of carbon offsets. Because the commercial carbon trade is an emerging market, it's difficult to judge the quality of offset providers and projects. Trees don't always live a full life, sequestration projects (for the long-term containment of emissions) sometimes fail and offset companies occasionally deceive their customers. And voluntary offsets can easily become an excuse to overindulge and not feel guilty about it.

Critique?

The scheme appears simple: private companies fund projects in developing countries that reduce greenhouse gas emissions. They must also meet sustainable development criteria and the "additionality" requirement, which means the emission reductions made must be "additional" to what would have been possible without CDM funding. Upon verification, the CDM awards these projects certified emission reductions (CERs), each equivalent to one ton of carbon dioxide.

More than 1,000 CDM projects have qualified for carbon credits. Most of these are large-scale activities in the energy sector; in the waste sector, subsidized technologies include landfill gas, incineration, and cement kilns. India and China are the biggest takers with a combined share of more than 50% of the projects. With some 3000 more projects awaiting registration, the CDM expects to generate nearly 3 billion CERs by 2012, when the first Kyoto commitment period ends.

The benefits of the schemes tend to stay with the middlemen who control the scheme. Farmers may lose their ability to grow food.