

Dissemination output for the essay ‘Phantoms in the rainforest? A review of Verra’s scandal on carbon offsets’

Blogpost

Do you pay more for your airline ticket to compensate for the pollution it emits? What if someone tells you 94% of that compensation was fake? This is what, according to an article published by The Guardian in January 2023, might be happening with the carbon compensations by the most relevant certifier, an US-based NGO named Verra.

My essay, titled ‘Phantoms in the rainforest? A review of Verra’s scandal on carbon offsets’, focuses on understanding the legal, technical and economic background explaining carbon offsets and The Guardian’s reveals.

First, we need to understand where carbon offsets come from and what they are. Greenhouse gases (carbon dioxide and methane, among others) are produced, amid other sources, in most human activities, and it has been this way for thousands of years. Among other effects, they maintain the temperature of the planet in a comfortable range that has allowed life to flourish. However, industrialization in the XIX and XX centuries significantly increased these emissions up to the point that it is now pulling up the global temperature. The rising so far has been 1.5°C to the average temperature and is expected to climb up to double by 2050. 3°C does not seem much, but it is: it increases the likelihood of catastrophic events, causes more floods and droughts and is the reason for hotter summers and colder winters. Increased temperatures will melt more ice and raise the level of seawater, most likely submerging coastal areas and displacing millions.

Aware of this scary future, the international community has tried to coordinate to cut emissions. The Kyoto Protocol, in 1997, and the Paris Agreement, in 2015, are some of its achievements. A compensation mechanism was developed, allowing for compensation between emissions and their reduction, capture or avoidance. In the beginning, it was a tool only available for developed countries to fund projects in underdeveloped countries, but now it is also a way companies can compensate for the emissions they produce.

Compensation possibilities tend to come with a beautiful green icon, generally shaped like a leaf, that for some more pounds might make you feel better for not contributing to climate change. But you intend to fly so that emissions will take place anyways. Have you ever wondered where the trick is?

Well, paying for compensating emissions results from a complex technical, environmental and legal process called carbon offsetting. Without going into the specifics—which you can find in the full version of this essay—, companies and individuals pay a bit more for a product or service and, in that way, compensate for the CO₂ emissions for producing said product or service. It is something like ‘buying the right to pollute’. And even though it poses obvious moral questions (I can think of: wasn’t it better not to pollute at all? Can I buy my right to keep polluting? Or who I am paying to?), the mechanism makes sense from a financial perspective. This way, thousands of millions of GHG have been offset.

However, a couple of months ago, The Guardian published an article claiming that some of this compensation where ‘phantom offsets’. According to the investigation, run by multiple journalists, the standards adopted by Verra, one of the certifying companies are inaccurate and misleading. In the ‘Reducing Emissions from Deforestation and forest Degradation’ scheme, allowed by this company, no carbon is captured and no new trees are planted. It relies upon avoiding projects affecting forests and conservation areas for creating carbon bonds. Therefore, it offers bonds because of a possibility, rather than an actual reduction.

Verra quickly defended itself and published technical reviews to disqualify the findings. However, the issue remains to be solved and research continues to assess whether the compensation scheme is truthful. In the meantime, millions of dollars have been poured into the offset mechanism and the Earth keeps warming up.