

Problems with Carbon Offsets

Why in news?

Offsets have come under fire as a way for companies to compensate for carbon emissions through eco projects elsewhere.

What is carbon offsets?

- **Carbon offsets** - It is a way to compensate for environmental damage.
- Companies make a financial contribution to projects that reduce the amount of carbon dioxide in the atmosphere and in exchange it can pollute the environment.
- Examples of projects include planting trees and rewetting peatlands, which store huge amounts of carbon in their soil.
- **Kyoto protocol** - It has allowed industrialized countries to use carbon credits, each of which is worth one ton of carbon, to keep within emissions limits.
- Experts have warned that most of the credits on the voluntary carbon market aren't effective.



What are the problems with carbon offsets?

- **In genuineness** - Most of world's carbon offsets certifier do not represent geniuses in carbon reductions.
- **Lack of alternatives** - Mostly planting trees are considered to reduce emissions and there are only few alternatives to reduce emissions.
- **Same mechanisms for all companies** - Planting trees or other alternatives cannot reduce emissions for all companies.
- **Cheaper carbon credit** - The expense of carbon credit are cheaper than reducing carbon emission so companies mostly prefer carbon credits.
- **Regulation** - Lack of regulation to carbon offsets industry.
- **Lack of technology** - In carbon technologies to capture carbon directly to offset carbon.
- **Greenwashing** - Most companies adhere to the greenwashing via avoidance offsets projects.

Greenwashing is when an organization spends more time and money on marketing itself as environmentally friendly as on actually minimizing its environmental impact.

What is the way forward

- The overestimation of the carbon reduction via avoidance offsets needs to be addressed.
- Tighter scrutiny of offsetting claims to regulate [carbon credit market](#).
- Defining standards to carbon credits so that purchasers could use to sort the good from the bad, and filter out low-quality carbon credits.
- Nature-based solutions must be adopted to offset carbon.

Reference

1. [The Indian Express | Problems with carbon offsets](#)

