EAUC Carbon Coalition Principles on Offsetting

The EAUC Carbon Coalition is a consortium of UK and Ireland higher and further education institutions that have joined together to offset their carbon emissions leveraging their combined buying power and knowledge.

In this document we will be honest and transparent on the types of carbon offsetting we will use as part of the Carbon Coaltion and which types of carbon credits we will not include and why. We will explain what the current offsetting sector has to offer, and the areas in which we hope to be able to improve the options available to institutions over time. This is a simplified overview – for more details and guidance on offsetting see the EAUC & COP26 University Network Offsetting Briefing.

All institutions that take part in the Carbon Coalition have to meet the Conditions of Entry:

1. Institutions must have a clear target to be net-zero. With the recommendation of 2030 for scopes 1 & 2, and include scope 3 by 2050 at the latest
2. Institutions must have a clear plan on how to reduce carbon emissions in line with their net-zero targets
3. Institutions must publicly report progress against their carbon plans and targets, with a recommendation to use a recognised standard

Offsetting should only be used for emissions that cannot be reduced any further or as part of a net-zero plan to achieve a more ambitious target year.

The carbon credit market is a complex one and currently our ideal offsetting solution – 100% carbon removal with storage – is currently not economically viable. We have developed a robust scoring and ethical stance on ensuring we use the highest quality offsetting projects that are currently available on the market. Institutions can be assured that they are investing in the highest quality carbon credit projects avalible on the market. The scoring methodology is based on the Offsetting Briefing and is overseen by an Advisory Board made up of climate experts, scientists and sustainability practitioners – all from the education sector.

We will use our collective purchasing power to help influence and shape the voluntary carbon credit market. We will highlight reasons for more research funding in carbon credits generated from permanent storage and we will seek for more UK based carbon credit projects.

Whilst we endeavour to ensure the projects are robust and meet our criteria, EAUC does not take any responsibility for 3rd party projects and it is for the institution to be satisfied with the risks and to take responsibility for these. Due to emerging technologies and limitations to what is available, institutions will be responsible to judge the risks for leakages beyond those already factored in, as part of its carbon strategy.

As technologies are constantly changing – and for some we do not yet know what these will be – we will take an ambitious yet cautious approach at the same time.

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What does carbon offsetting mean?

A carbon offset is the purchase and retirement of a carbon credit. One carbon credit equates to 1 tonne of CO_2e which is achieved through one of two ways:

1 tonne of CO_2e removed from the atmosphere (carbon removal offsets)
1 tonne of CO_2e prevented from entering the atmosphere (carbon reduction offsets)

As a carbon credit is a tradable commodity it can be traded repeatedly. By retiring a carbon credit you ensure it can never be resold, and you are therefore responsible for the carbon removal or reduction. If your carbon footprint is 100 tonnes of CO_2e, and you purchased and retired 100 carbon credits, you would be certifiably carbon neutral.

Read What are carbon credits for more information.

Carbon Removal versus Carbon Reduction

There are different types of offsets and they broadly fit into carbon removal projects and carbon reduction projects.

Carbon Credit Emission Reduction Projects:

- Forest Protection / Avoided deforestation
- Renewable energy
- Energy efficiency

Carbon Credit Emission Removal Projects:

- Peatland restoration
- Reforestation
- Direct air capture with carbon storage
- Carbon capture and storage

There are issues associated with reduction based carbon credit projects, for example, avoided deforestation projects. This type of carbon credit funds a forest that would otherwise be destroyed for one of several potential reasons. With this type of project, it is very hard to prove that without the carbon credits that the forest would have been cut down, these type of carbon credit projects potentially lacks additionality and has a high chance of being double counted. Such carbon credit projects potentially could monetise forests and could be easily exploited. **The Carbon Coalition portfolio will not include any forest protection projects for these reasons.** However, other carbon reduction schemes such as renewable energy project may be included, with a transition to predominately carbon removal based offsets over time.

Afforestation and reforestation schemes currently form the majority of carbon removal offsets on the market and will form part of the coalition's portfolio at least in the short-term. These schemes when done well can also support several Sustainable Development Goals (SDGs) in addition to capturing and storing carbon. Research and development for large-scale innovative technologies of carbon removal with long term secure storage is in very early stages, therefore there are very few projects that are validated available in the market. The current available Direct Air Carbon Capture Storage project is very expensive – approximately £1000/tonne of CO2 removed and stored. Our aim through the Carbon Coalition is to increase market demand and aid development of more projects which capture and store CO2 securely and for the long-term.

We will also ask the UK Government to increase research funding in this area. We aim to accelerate progress for institutions to help close the gap between net zero and absolute zero through removal based offsetting.

What is the difference between offsetting and sequestration?
Carbon offsetting is the use of carbon credits which can be used towards an institution or individual's net-zero targets. Sequestration is where you use your own land or assets as a greenhouse gas (GHG) store (sink) – for example planting trees on campus or estate. In order to include this within your GHG reporting you will need to be able to measure and validate, ideally with a 3rd party, your carbon removals. Most institutions may not currently have the ability nor the resources to do this. Some may argue that an institution should be doing such activities anyway, for example planting trees to improve air quality and biodiversity on campus.

EAUC are working with SOS on their Farming for Carbon and Nature pilot scheme of using university and college farmland to capture carbon and restore nature, with the aim of including this within the Carbon Coalition portfolio in 3 years time when they have validated their carbon credits.

What is carbon insetting?
There is no definition of carbon insetting. Some institutions might consider setting up their own 'offsetting' scheme internally – calling this 'insetting', where a department or specific activity, such as air travel linked to research projects, can 'offset' by paying a reasonable price/tonne into an internal fund. This internal fund could then be used to pay for carbon reduction activities, such as insulation or installation of solar panels for example. Reliable monitoring and evaluation against set measures of accounting, additionality, leakage, transparency, verifiability, (e.g. ISO14064-2) or accreditation through accepted standards would be required for such projects to truly count towards net-zero.

UK versus overseas offsetting
Many institutions may wish to offset in projects in the UK or even more specifically to their locality, while other institutions may prefer to support projects overseas where the most vulnerable people and places are impacted by climate change and the offset can offer co-benefits such as stabilising coasts, soils and water cycles through afforestation while also providing food, fuel and fibre. However, there can be questions on the use of overseas offsetting in terms of fairness and equity – for example if wealthy global north countries over-consume the market as it stands then there may be fewer offsetting opportunities available for the global south to purchase. Certain offsetting projects may also have detrimental effects for the local communities and ecology that they are based in, and the Coalition, therefore, only supports projects which do no harm.

In the UK there are only two verified carbon credit scheme available within the voluntary carbon credit market, the UK Woodland Carbon Code and the UK Peatland Code. Currently there is not enough supply to meet the demand, even if only the education sector were to use these offsets, let alone the rest of the organisations in the UK. Intially the Carbon Coalition will include carbon credits from the UK Woodland Carbon Code within our portfolio, with the aim to include more UK based projects as and when they become available with our collective buying power to help drive this. We do note that these are future-based carbon credits and there is a higher risk as they are yet to be proven to achieve carbon removal. For this reason we will exclude any non-UK future-based nature solutions.

We will work with the UK Government and the wider offsetting community to stimulate an increase the number of UK offsetting schemes available.

The Carbon Coalition portfolio will therefore need to include overseas offsetting projects. All projects will go through a robust scoring criteria to ensure only high quality projects are included and this will be reported back to the EAUC Board.

Summary

The carbon credit market is a complex one and currently our ideal offsetting solution – 100% carbon removal with storage – is currently not economically viable. We have developed a robust scoring and ethical stance on ensuring we use the highest quality offsetting projects that are currently available on the market. Institutions can be assured that they are investing in the highest quality carbon credit projects avalible on the market. The scoring methodology is based on the Offsetting Briefing and is overseen by an Advisory Board made up of climate experts, scientists and sustainability practitioners – all from the education sector.

We will use our collective purchasing power to help influence and shape the voluntary carbon credit market. We will highlight reasons for more research funding in carbon credits generated from permanent storage and we will seek for more UK based carbon credit projects.

Whilst we endeavour to ensure the projects are robust and meet our criteria, EAUC does not take any responsibility for 3rd party projects and it is for the institution to be satisfied with the risks and to take responsibility for these. Due to emerging technologies and limitations to what is available, institutions will be responsible for any leaks beyond those already factored in.

As technologies are constantly changing – and for some we do not yet know what these will be – we will take an ambitious yet cautious approach at the same time.

The Carbon Coalition's long term aim is to have a carbon credits portfolio containing predominately carbon removal and long term storage projects. However, this is not currently an economically viable solution for institutions. Our aim is to have a mix of carbon credit projects as part of our portolio to ensure multiple approaches are supported. The cheaper carbon reduction projects will balance the expensive costs of the innovative technologies providing a more reasonable price per tonne. For the fixed portfolio offer we will charge a flat rate in line with the UK-ETS. Over time as more carbon credit projects come to market our portfolio will change with more emphasis on proven innovative carbon removal solutions with long term storage projects. Institutions are also able to select their preferred projects from the portfolio and choose to invest in one or more specific projects.

All projects will go through our robust scoring criteria to ensure they are high quality projects. We want institutions to have complete trust that their carbon footprint has been truly offset. We want to maximise the quality and accountability that your carbon footprint has been 100% prevented from entering or removed from the atmosphere. The carbon credits made avalible through the Carbon Coalition will be reviewed annually as well as reviewing new projects that come to the market.

We aim to use projects that are in line with UK standards and regulations. We will not accept carbon offset projects where the project itself would fall below the regulatory or best practice standards expected in the UK - even where that project would reduce emissions.

The Coalition will be compliant with universities, colleges, charities and company regulations and standards and procurement, contracting and tendering processes, and will provide good value for money.

Summary of Currently Excluded Carbon Credits from the Carbon Coalition

Offsetting Type	Reason
Forestry protection	Hard to prove and risk of double counting.
Energy from waste	This should be standard as part of country regulations.
Energy efficiency e.g. clean cookstoves	Such projects are hard to qualify.
Overseas future-based nature projects	There is risk with future-based nature projects in terms of being assured the carbon is reduced/removed. We are only including UK projects as these are currently the only UK projects available.
Credits generated in countries that have ethical concerns	We will not support projects in countries that have ethical concerns such as military coups, human rights etc.
Credits generated by high emitting sectors	Especially coal mining and oil and gas companies. This may provide economic incentives to slow transition in a sector that is easier to abate.

We are are grateful to all participating institutions working with EAUC on the pilot and hugely appreciative of the inputs of the members of the Carbon Coalition Advisory Board. Whilst we recognise this is a difficult sector to navigate we will continue to strive to improve both the understanding and the processes and use this to promote best practice going forward.

Full details of the Carbon Coalition visit https://www.eauc.org.uk/carbon_coalition

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