

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. You can find out more at https://www.eauc.org.uk/carbon_coalition.

In this document we will be honest and transparent about which types of carbon credits we will recommend and not recommend for institutions to buy. We will explain what the current voluntary carbon market has to offer, and the areas in which we hope to be able to improve the options available to institutions over time.

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

1. Institutions must have a clear net-zero target. With the recommendation of 2030 for scopes 1 & 2, and 2050 for scope 3 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 annually publicly report progress against their carbon plans and targets, with a recommendation to use a recognised standard such as the [Standardised Carbon Emissions Framework](#).

Carbon credits should only be used to offset emissions that cannot be reduced any further or as part of bringing forward the planned date of net-zero delivery.

The carbon credit market is a complex one and currently our ideal solution – 100% carbon removal with durable storage – is currently not economically viable.¹ 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 available on the market. The scoring methodology 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 durable storage and we will seek for more high-integrity UK-based carbon credit projects.

Whilst we endeavour to ensure the projects that we recommend are robust and meet our criteria, EAUC does not take any responsibility for 3rd party projects. It is for each institution to assess the risks associated with any carbon credit purchase it makes and to take responsibility for these. Due to emerging technologies and limitations to what is available, institutions will be responsible to judge the risks to include a scientific evaluation of carbon additionality, leakage and permanence, as well as reviewing available evidence on project governance, justice and impacts on livelihoods and biodiversity.

¹ Revised Oxford Offsetting Principles

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What does carbon offsetting entail?

A carbon offset is the purchase and retirement of a carbon credit for compensation purposes. One carbon credit equates to 1 tonne of carbon dioxide or equivalent greenhouse gases (CO₂e) which is achieved through one of two ways:

1. 1 tonne of CO₂e removed from the atmosphere and stored (carbon removal credits)
2. 1 tonne of CO₂e prevented from entering the atmosphere (carbon reduction/avoidance credits)

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.

Read [What are carbon credits](#) for more information.

Carbon Removal versus Carbon Reduction

There are different types of carbon credits and they broadly can be distinguished by the following two types:

Carbon Credit Emission Removal Example Projects:

- Peatland restoration
- Afforestation/Reforestation
- Direct air capture with carbon storage
- Biochar

Carbon Reduction/Avoidance Example Projects:

- Avoided deforestation (REDD+)
- Renewable energy
- Energy efficiency

There are issues associated with reduction-based carbon credit projects, for example, avoided deforestation projects or renewable energy projects in parts of the world where such capacity is already economic. This type of carbon credit funds a forest that would otherwise be destroyed for one of several potential reasons. This type of project relies on a comparison between a business-as-usual scenario, in which (it is argued) the forest would suffer significant deforestation, and a proposed conservation intervention scenario, in which activities are undertaken to protect and preserve the forest. The challenge is how to evidence such claims in a scientifically valid and testable manner. Unfortunately, many projects have either relied on a narrative comparison, or on quantitative comparisons with large reference areas of land, often with very different characteristics from the project area. Another problem has been comparison of deforestation rates over different historical periods, when the drivers of deforestation may have changed over time. For these reasons, the Carbon Coalition portfolio will not initially include any forest protection projects. Much more accurate and conservative estimates of carbon additionality from avoided deforestation are now becoming available using scientifically validated methods based on satellite data and detailed matching of land areas with respect to known drivers of deforestation. The Carbon Coalition will consider options for independently evaluating forest protection projects using these peer-reviewed scientific methods for quantifying carbon

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additionality against evidence-based counterfactual baselines, and may in future include in its portfolio, projects avoided deforestation projects which meet appropriate scientific criteria for inclusion. **The Carbon Coalition portfolio will not currently include any avoided deforestation projects for these reasons.** However, other carbon reduction projects may be included, with a transition to predominantly carbon removal-based credits over time.

Afforestation and reforestation schemes currently form the majority of carbon removal credits on the market and will form part of the coalition's portfolio at least in the short-term. Like avoided deforestation projects, the carbon contribution of afforestation and reforestation projects need to be assessed relative to an evidence-based counterfactual scenario and monitored over a period of years as trees grow to their adult size. 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 US\$650/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 durably 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 retirement 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 your 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.

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.

Compensation vs Contribution Approaches

We are aware and investigating different approaches that move away from compensation approaches such as through carbon credits to more contribution approaches. Such as the social cost of carbon for valuing impacts on emissions such as the valuation the UK Government does this for [policy appraisal and evaluation](#).

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Other approaches such as Beyond Value Chain Mitigation (BVCM) which is “mitigation action or investments that fall outside an institution’s value chain, including activities that avoid or reduce GHG emissions, or remove and store GHGs from the atmosphere”². This could be an alternative approach for institutions to invest in areas that are specific to their values – such as health, education or research.

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 voluntary carbon 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, aims to evaluate as far as possible the governance, biodiversity and livelihood impacts of projects, with the intention of supporting projects that are demonstrated to minimise harm.

There are other considerations for UK based projects, for example a project that turns productive agricultural land over to rewilding or tree planting may displace that food production overseas, possibly to somewhere where the negative biodiversity impact of the agriculture is greater. For example, in Brazil low-productivity grazing land that, if reforested, would support many more rare and important species habitats than high-productivity farming land in the UK being replaced by tree planting.

In the UK there are currently only two verified carbon credit schemes 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 credits, let alone the rest of the organisations in the UK. Currently there are no carbon credits available to purchase from these schemes. We 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 likely to be 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 in 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 criterion to ensure only high-quality projects are included and this will be reported back to the EAUC Board.

² <https://sciencebasedtargets.org/beyond-value-chain-mitigation>

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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 criteria and methodology](#) with an 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 available on the market. The scoring methodology 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.

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 predominantly 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 portfolio to ensure multiple approaches are supported. The cheaper carbon reduction projects will balance the expensive costs of the innovative technologies, providing a more affordable 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 available 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.

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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 (when available) 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 human rights or political instability 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.
Any credit based on a now ineligible crediting methodology	For instance, several renewable energy methodologies have been retired as it becomes economical in certain parts of the world
Any credit with a pre-2020 vintage	This was developed prior to the implementation of the Paris Agreement, and so has dubious additionality

We are grateful to all participating institutions working with EAUC 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

Approved by the EAUC Carbon Coalition Advisory Board on 31 October 2024.