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CARBON SCAM: New Greenpeace report exposes how coal and oil companies are trying to use forest offset projects to cheat the climate

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Big polluters do not want to invest in green jobs and clean skies in America. Instead, they want to keep on with their dirty business as usual and outsource pollution cuts to someone else on the cheap. One of the primary ways they are trying to pass the buck is with cheap forest offsets.

The new [Greenpeace report Carbon Scam](#) investigates how American Electric Power, BP and Pacificorp invested in the Noel Kempff Climate Action Project (NKCAP) in Bolivia to try and avoid cleaning up their own act. The investigation shows how NKCAP sponsors overestimated pollution cuts from the project by 90 percent, how overall deforestation rates in Bolivia have actually increased since the project started, and how fundamental questions about the project remain unanswered.

"When Greenpeace says the only reason American Electric Power wants to do this is because it doesn't want to shut down its coal plants, my answer is, 'You bet...'" AEP CEO Michael Morris

What is the Noel Kempff Climate Action Project?

In 1997, the three energy giants entered into an agreement with the Bolivian government. They invested millions of dollars to expand and protect forests near the Noel Kempff national park from the threat of deforestation for 30 years. In return, the companies created carbon credits which they could buy and sell on carbon markets to "offset" their climate pollution make a tidy profit. NKCAP has being widely showcased by polluters as a model project to reduce emissions from deforestation and degradation (REDD).

What is a «sub-national» REDD project?

Tropical forest destruction accounts for around 20 percent of global greenhouse gas emissions. In U.S. legislation and in international climate talks, there is broad agreement that the protection of tropical forests must be a part of any deal to save the climate.

The debate is not whether to protect tropical forests for our climate, but how to do it. The [Greenpeace Forests for Climate solution](#) shows the way to achieve the right REDD mechanism; one that will save forests and the climate.

But polluters prefer to use REDD to avoid having to cut their own pollution. “Sub-national” offsets allows chunks of protected forest to excuse pollution elsewhere in the world without accounting for logging and deforestation that may shift elsewhere in a country.

There are real problems with the sub-national REDD offsets. First, it is much more difficult to accurately measure the carbon in trees, plants, and soils of changing forests than measure the climate pollution from the smokestacks and tailpipes they are supposed to be swapped for. Another serious risk is “leakage”, where deforestation stopped in one area, simply move to another forest.

In addition, it is difficult to ensure that forests and the carbon they store will last over long periods of time. After all, unlike smokestacks, forests are living, changing ecosystems that may change in response to disease, fires, illegal logging or global warming itself.

It is also difficult to ensure that a given piece of forest was actually going to be destroyed without the offset project. If offset credits are generated from forests that would have stayed standing anyway, those offsets are simply justifying new polluting somewhere else.

NKCAP is widely touted by industry as a success story, but fails on many counts.

What's the scam?

Over the last decade of the project (1997-2009) the estimated emissions reductions of Noel Kempff have plummeted by more than 90 per cent, from about 55 million tonnes to "up to" 5.8 million tonnes of CO₂. Had the original false estimates actually been used on the carbon market we could have seen an overall increase in greenhouse gas emissions, as companies could have claimed non-existent emission reductions while continuing to emit the amount supposedly offset.

These serious errors in counting emissions are reason enough to avoid sub-national offsetting altogether – but as if we didn't have proof enough, here's more.

Despite promises by the NKCAP sponsors that they had it under control, the project has failed to protect against:

1. “Leakage” — project sponsors avoided rigorous, expensive monitoring of leakage, favoring elaborate models which depended on significant guesswork. The report shows leakage from the project could be as high as 42-60 per cent.
2. ““Additionality” — Our report uncovers evidence that NKCAP may not actually be additional. Changes in Bolivian forest law resulted in many parts of the project may have remained standing without the offset initiative.

3. Permanence – Over time, forests in NKCAP could be affected by external factors like forest fires, changes in politics, and global warming. As a result, some of the claimed pollution cuts may turn out not to be real, and pollution “offset” pollution from AEP, BP and Pacificorp would not be “offset” at all. Instead, climate pollution could actually increase.

4. Community benefits – Despite industry claims that the project benefitted local communities in many ways, testimonies we have captured in the report tell a different story altogether. "Well, the reality is that the Noel Kempff project has not delivered any benefits and therefore the balance is very negative..." says Pastor Solís Pérez from local village Florida.

World leaders must listen to the science not companies

Not surprisingly, big corporate polluters are lobbying hard for sub-national offsets in U.S. legislation. Climate and energy legislation currently in Congress allows for up to 2 billion tons of carbon offsets – enough to let polluters increase climate pollution for years to come.

Polluters claim REDD offsets are simply a cheap way to make pollution cuts. But, like many quick, cheap fixes, sub-national REDD offsets do not deliver what they promise. Polluters may try to fool politicians and the media, but they cannot fool the climate.

Simply put, sub-national REDD offsets are among the lowest-quality, least reliable offsets in the world. These offsets are bad for forests, bad for the climate, bad for biodiversity and bad for people who depend on forests. As world leaders gear up for a crucial United Nations climate summit in Copenhagen in less than two months, they must make sure sub-national REDD offsets are kept out of climate deals.

The world needs a Copenhagen deal that will [save the climate](#). This must include serious measures to protect our forests, not low-quality REDD offsets that allow companies to cheat the climate and pad their bottom lines.

[Download the report](#)

Take Action

- [Contact President Obama and tell him we can't afford to let big polluters off the hook by allowing offsets to replace required pollution cuts with hot air.](#)

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