

## Britain may go back on its promise not to buy 'permits to pollute' from poor nations

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Britain's plan to cut its carbon dioxide emissions by more than a third by 2022 could be achieved by buying "permits to pollute" from poor countries rather than genuine reductions in domestic emissions, according to documents seen by *The Times*.

A draft copy of the Government's energy strategy, due to be published today, reveals that ministers have considered scrapping a commitment made three months ago intended to prevent the UK from buying so-called "carbon offsets" from developing nations. It states that while genuine cuts would be preferable, carbon offsets — where one country is paid to make reductions in emissions on another's behalf — should be reserved as an "insurance option".

The report also suggests that the Government might need to overturn a commitment made in the Budget by Alistair Darling that Britain would not resort to carbon offsets to meet its emission reduction targets before 2012.

Ed Miliband, the Energy and Climate Change Secretary, will today set out a plan for UK emissions cuts of 34 per cent by 2022 and at least 80 per cent by 2050 to reduce the threat posed by global warming.

But while the shift to a low-carbon economy is meant to ensure that Britain moves away from imported oil and gas towards lower-carbon energy sources such as wind and nuclear power, a debate is raging over the role that international carbon markets can play in meeting these goals.

Keith Allott, head of climate change at WWF-UK, said that carbon offsetting amounted to little more than an "accounting trick". "We have a chance to transform the UK economy but that can only be achieved by investing in a green recovery package. If we choose to offset we are just throwing money into a broken mechanism." Deborah Doane, director of the World Development Movement, said: "Carbon trading places the burden on poor countries to reduce their carbon emissions so that we can continue to pollute."

But Abyd Karmali, president of the Carbon Markets and Investors Association (CMIA), said: "Carbon offsets are a sensible and economically rational approach for the UK Government. It is critical to have mechanisms that will allow for financial innovation in the environmental space." He said that the Government could choose to invest directly in projects that reduce emissions, such as wind farms in developing countries like India, as an alternative to more expensive, similar projects in Britain.

He said that ultimately, the UK could pay a country such as Brazil to buy "avoided deforestation credits". The Government is committed by law to a phased reduction in carbon emissions over three five-year periods starting in 2008. From 2013 emissions should be further reduced to 28 per cent below 1990 levels and the third period, from 2018, should see emissions cut to 34 per cent below 1990 levels.

A spokesman for the Department of Energy and Climate Change said: "The aim is to meet the target for the budget periods through domestic action alone." Britain is already a member of the EU Emissions Trading Scheme that brokers the exchange of carbon dioxide permits between operators of power stations and factories.