

# What is the Gaviotas Marion Institute Carbon Offset Initiative all about?

*Peter Dean, MI Board Member*

Clearly, reduction of CO<sub>2</sub> and other Green House Gas emissions is critical and must be central in any effort to deal with global warming. This is true for our program as well. It is also painfully clear that few Americans would be able or willing to lead a low carbon life style. Every aspect of our economy is dependent on fossil fuels. This is the current reality, and will most likely remain this way for the foreseeable future in spite of every well intentioned effort to change things. Thus in our marketing of the Gaviotas carbon program we first ask participants to reduce their CO<sub>2</sub> emissions, seek and use alternative sources of energy and then to offset what cannot YET be reduced or eliminated. We are opposed to any "scheme" that simply assuages guilt or enables profligate carbon emission without also requiring some personal change of behavior that has carbon neutrality as its goal.

The eco-village known as Las Gaviotas is unique in many ways. First of all, its location is geologically unique. 650,000 years ago, the Vichada region of Eastern Colombia was a tropical rain forest much like the neighboring Amazonian Rain Forest. When the Nasca and Pacific tectonic plates collided and raised up the Andes Mountains, the ensuing runoff and erosion of the newly exposed mineral content from the earth's crust acidified the soil east of the Andes to the point where tree growth could not continue. One needs 5 and above on the pH scale to support tree growth. The resulting acidification reduced the pH in the Vichada region below 4 pH. The rain forest and a majority of the bio-diversity died off leaving behind nearly barren grassland which has stubbornly remained since. The last 400 years of slash and burn ranching has further diminished the land and the health of the topsoil. This part of the story is critical to a full understanding of the systemic nature of the Gaviotas project and the astounding success it has achieved.

It is also important to understand that the Gaviotas project was never intended to be a carbon sequestration "scheme". The project began nearly thirty years ago, before the first alarms were being sounded about carbon emissions, global warming and the resulting climate change. Paolo Lugari began this project as his life's work in an effort to address the fact that 52% of the population of his country live in poverty. Paolo was deeded 12,000 hectares of the least desirable and most problematic land in the country to mount his experiment, saying, "If it can be done here, it can be done anywhere." The reestablishment of a fully canopied, poly-culture tropical rain forest on 8,000 of the 12,000 original hectares is a measure of success that was heretofore unheard of. The fact that 200 people now call Las Gaviotas home, and live sustainable, industrious lives in concert with their environment is an example for us all. An additional 3,000 people from the wider region have found periodic work at Las Gaviotas.

The ancillary benefits of this success are many, and these are well documented on the two websites as well as the recent article in World Watch Magazine authored by Richard White, Ph.D, former professor of astrophysics (28 years) at Smith College. I highly recommend this article found on the MI website, [www.marioninstitute.org](http://www.marioninstitute.org)

We are marketing this opportunity primarily to individuals and small businesses and organizations, but we are open to all without discrimination. Our hope is to spread the opportunity as widely as possible amongst the largest number of participants as we can. That having been said, we are not averse to releasing larger blocks of the carbon we have to market to a single source. We just believe that the larger the numbers of participants, the more diverse is the support and the less likely that the program will be vulnerable to a single source having a change of heart.

The price we set is keyed to the price on the CCX. This market is voluntary, and we are bound by our contractual agreement with Gaviotas to only market in the voluntary carbon market. When we set our price, the price per ton on the CCX was \$4.50/ton. When the tax deduction is factored in, our price of \$7/ton is roughly equivalent to the CCX price. This of course depends on the tax bracket of the donor. The shameful truth about all of the carbon markets is that about 80% of the funds invested in these markets never sequesters any carbon at all. These funds are swallowed up by the market itself, the regulation and certification agencies that police it and increasing numbers of middlemen, thus leaving only 20% to fund the actual project. The efficiency of these markets will likely improve over time. Many of these projects are just getting off the ground, or should I say IN the ground. If sequestering carbon as quickly as possible is the

only criteria guiding these projects, then the law of unintended consequences is very much in play. In our program, the numbers are reversed. 90% of all donations coming in to support this program pass directly to ZERI Eje Cafetero to support the expansion of the planting regimen (an additional 4,000 hectares) at Las Gaviotas. 10% remains with the Marion Institute to cover the costs of administering the program, and any funds left over after these costs are covered are devoted to another MI program, the ZERI Learning Initiative which trains K-12 teachers in how to teach environmental sustainability to school children. By working with a project that has a 24- year track record, the concern about unintended consequences is dramatically reduced. In the case of Las Gaviotas, the story is more about unforeseen benefits.

The \$7/ton price was also set to compete with the price in the mandatory carbon markets in Europe. When we set our price, the price per ton of carbon on the London Carbon Exchange was \$18.50/ton. Again, taking into account the 20% efficiency issue and the tax deductibility opportunity of our program, our price competes very nicely with the mandatory market. A donor to our program gets more carbon sequestered for considerably less money.

We also believe that there is a market of people who wish to sequester/offset carbon in a quality way. These people are not looking for a bargain basement way to spend the least to offset their emissions and thus assuage their guilt on the cheap. We believe there are an increasing number of people who wish to see their donation do more than just offset their carbon emissions. These people see that intentionality matters, and they want to offset in a way that spreads the benefits. So, if for the same price they can offset their carbon emissions, receive a tax deduction, support sustainable education, support environmental restoration, support social justice and sustainable lifestyles for indigenous populations, support innovation and development of alternative sources of energy and support the research behind all of these, then this opportunity is a compelling choice.

The tonnage of carbon offsets that we have to offer is 144,000 tons. This represents the annual carbon sequestration of the existing 8,000 hectares of restored tropical rain forest,... the annual growth. This carbon sequestration is being leveraged to support the next wave of planting into the remaining 4,000 hectares of Gaviotas land.

The issue of whether or not the Gaviotas project qualifies as "additional" is an interesting question. On the face of it, were it not for the enlightened intervention of Paolo Lugari and his team, the rain forest that stands there today would simply not exist. Without the use of the same discoveries, the next expansion of the project could not happen. The existing forest will not spontaneously spread beyond its current borders without the continued application of the planting regimen funded through this program. Without the understanding that the people who live there must be able to sustain themselves while sustaining the forest, the forest will not long stand. These are the realities on the ground. If existing forests are given no value under these carbon-offsetting strategies, then there is no incentive to preserve them. Leveraging a newly created rain forest for its carbon offsetting value in order to fund the expansion of the project seems to me to be an entirely appropriate use of carbon offsetting funds.

We are not "selling" a tradable carbon offset. Donors to this program can rightfully claim to have offset their emissions, but they will not receive any good or service for their participation beyond the tax deduction. We have a finite amount of offset to offer. Every donation will offset the related amount of carbon emissions, no more no less. Every donation will be listed on the website detailing the source and amount of the donation. All transactions will be transparent. When the available tonnage is exhausted, there will be no more donations accepted until the next calendar year. We have targets to reach on a yearly basis, all carefully explained in the contract we have with Las Gaviotas. They also have obligations under the contract. The funds generated by this program must be spent on the planting regimen and the offsets must be offered exclusively through the Marion Institute. In no event, will more than the 144,000 tons plus any unsold tonnage from previous years be offered in any calendar year as we go forward.

Paolo Lugari is understandably reluctant to have experts come to Las Gaviotas and begin telling him how things should be done. Rather, it would appear that these experts have much to learn from Paolo. I do not mean to imply that the authors of the various carbon standards are somehow misinformed, but I respectfully suggest that none of them has the vision, experience, track record or implementation results that Paolo Lugari has when it comes to the regeneration of tropical rain forest and the sustainable social management of such a project.

**For more information about the Gaviotas Marion Institute Carbon Offset Initiative and to offset your carbon, please visit [www.marioninstitute.org](http://www.marioninstitute.org)**