

Climate Action Data Trust to unify carbon credit registry data

- *The World Bank, IETA and the Singapore Government Connect Carbon Markets Through Open Data*

SINGAPORE (26 October 2022) – The International Emissions Trading Association (IETA) today revealed information on the forthcoming launch of Climate Action Data Trust (CAD Trust), a decentralised metadata system that can link, aggregate and harmonise all major carbon market registry data.

Climate Action Data Trust (CAD Trust) is a joint initiative of the International Emissions Trading Association, The World Bank and the Singapore government, along with a variety of governments and public and private organisations. It will provide an open-source metadata system to share information about carbon credits and projects across digital platforms, easing future integration of multiple registry systems. CAD Trust uses distributed ledger technology to create a decentralised record with the aim to avoid double counting, increase trust in carbon data and enhance climate ambition.

Many countries and companies intend to use carbon markets to deliver their contributions to the Paris Climate Agreement. IETA's review of the latest updates to Nationally Determined Contributions shows that about 80% are interested in using Article 6 trading provisions to meet their goals. To use Article 6, countries must track and report on use of international credits through a registry system. The CAD Trust system will assist in promoting high-integrity systems and digital linkages.

The CAD Trust platform will go live in early December, when the public metadata layer will be widely available through <https://climateactiondata.org>. CAD Trust evolved out of the Climate Warehouse, an initiative launched by the World Bank. For the past three years, the initiative has prototyped a series of simulations of the data system with partner governments, carbon crediting programmes and other organisations. The final prototype ended in August and work is now underway to prepare the data layer to go live.

Dirk Forrister, President and CEO, IETA, said: "Today's carbon markets are complex and fragmented, yet they hold the potential for enabling countries and companies to achieve net-zero climate goals. We gathered inputs from many IETA members who took part in Climate Warehouse consultations. They helped us identify the governance functions of the Data Trust that could accelerate work on the common data specifications for future digital registry systems. The resulting Climate Action Data Trust will serve as a public good, providing an accessible, decentralised and secure digital infrastructure that can be used by all participants in carbon markets – acting as an invaluable tool for market communication, trust and transparency."

Chandra Shekhar Sinha, Lead Financial Specialist at the World Bank said: "Carbon markets can help countries to meet their climate goals but only if reductions are real and credible. Climate Action Data Trust is an important step towards solving the challenge of standardising and interconnecting carbon market registry systems. Article 6 reporting is going to be an important challenge for our client countries so the idea of building these systems linked to the registry and to the MRV systems will help with the reports that need to be provided for Article 6 and drives transparency in the market."

“Carbon markets are critical to mobilise collective efforts to advance global climate action towards Paris Agreement goals. Climate Action Data Trust will put in place key building blocks to operationalise the Article 6 rules on transparency, tracking and reporting adopted at COP26 last year. This is one of the initiatives that Singapore is supporting to advance global climate action,” said Benedict Chia, Director-General (Climate Change), National Climate Change Secretariat of Singapore.

The Climate Action Data Trust will be an independent entity domiciled in Singapore. It is led by the Council that consists of government representatives and major carbon registries. Climate Action Data Trust will release more details about how it works, its governing bodies and their members in December. The official launch is planned to take place at the Asia Climate Summit 7-8 December in Singapore.

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