

## **World Bank, partners launch tracking system to clean up carbon**

### **markets**

LONDON, Dec 7 (Reuters) - The World Bank and partners including Singapore on Wednesday launched a global tracking system to clean up the opaque market for carbon credits and help developing countries raise much-needed climate finance quickly and more cheaply.

Carbon credits - generated through activities such as planting forests or pulling climate-damaging carbon dioxide from the air - are sold to polluters to offset their emissions as a way of helping them reach net-zero emissions to limit global warming.

While governments wrangle over the rules for trading so-called compliance credits, projects are being launched to generate new credits and countries are setting up registers to track them.

Private-sector efforts also have sprung up offering credits for "voluntary" carbon markets, while a range of registries such as Verra and Gold Standard is accrediting and tracking them.

The \$2 billion voluntary market has remained small. Critics cite concerns including poor market transparency, a limited supply of credits and questions over the quality of projects.

The new database - called the Climate Action Data Trust (CAD Trust) - aims to address these issues by collating all the project and carbon credit data in one place and making it free to the public.

"The goal for us was to create this global, public data layer which allows people to get a better sense of what's happening across the world, across different jurisdictions, across different programmes," Chandra Shekhar Sinha, an adviser of the Climate Change Group at the World Bank, told Reuters.

"We're able to track it, avoid double-counting (and) figure out what are the innovations that are taking place," and hopefully create a "race to the top" at the same time as lowering the barriers to entry for market participants.

The CAD Trust, co-founded with the International Emissions Trading Association (IETA), will provide a platform listing various existing carbon offset registries to make it easier for companies and countries to share data.

Sonam Tashi, chief planning officer at Bhutan's Ministry of Economic Affairs, told Reuters the new CAD Trust portal would allow the country to save around \$1 million in initial costs for accessing the market, compared with the costs of setting up its own systems.

"It really helps us ... leapfrog the entire learning process. It brings us up to speed with what is required within the carbon markets," he said.

He said Bhutan is in discussions with possible buyers who want details about how carbon credits from its forests are being registered, verified and monitored.

"This is where the World Bank facility will help us," Tashi said. "The CAD Trust meets all the technical requirements of host countries and buyers."

Using the CAD Trust means Bhutan would likely be able to start selling credits in 2023 - a year earlier than if the country had not been able to access the facility, he said.

By Susanna Twidale and Simon Jessop