Singapore government, IETA, World Bank launch carbon credits data platform

Jovi Ho Published on Wed, Dec 07, 2022 / 05:11 PM GMT+08 / Updated 2 days ago

The International Emissions Trading Association (IETA), the World Bank and the Singapore government have launched the Climate Action Data Trust (CAD Trust), a platform to share information about carbon credits and projects.

CAD Trust links, aggregates and harmonises all carbon credit data from project registries to facilitate transparent reporting.

As an independent entity headquartered in Singapore, the CAD Trust will engage with governments and organisations to set the specifications for an open-source metadata system. This system will share information about carbon credits and projects across digital platforms, integrating multiple registries.

The three founding partners also announced on Dec 7 the governance structure and the composition of the CAD Trust Council, which will advise and guide the initiative by setting its strategic direction.

The Council will advise the Board of Directors, which is responsible for CAD Trust. The Council consists of national representatives from Bhutan, Chile, Japan, Senegal, Singapore and the UK, along with registry representatives Verra, Gold Standard, American Carbon Registry and Global Carbon Council, among others.

These major registries plan to connect to CAD Trust in 1Q2023, with the first layer of data to be made publicly available at that point.

With a history of measuring and verifying forestry carbon credits, Verra alone certifies some 80% of voluntary carbon credit trading activity, says Simon Henry, director of carbon market development at IETA. Together with the other registries, the share of carbon activity represented on CAD Trust will rise above 90%, he adds.

The council's membership is not fixed, with two more members slated to join "sometime next year", says Henry. They will remain for two years, before the Council transitions into a "permanent governance period" from end-2024. This could see the Council expand or retain members.

A culmination of three years' work, CAD Trust uses distributed ledger technology to bring together decentralised carbon crediting records to guard against double counting.

Benedict Chia, Director-General (Climate Change), National Climate Change Secretariat of Singapore, says: "High-integrity carbon markets are needed to support collective efforts to advance global climate action. CAD Trust will enable greater interoperability amongst registries within carbon markets to ensure transparency, accuracy, and consistency in the tracking and reporting of carbon credit use."

CAD Trust is one initiative that Singapore is supporting to facilitate international climate change cooperation among countries and stakeholders under Article 6, adds Chia, in hopes of mobilising efforts toward achieving the Paris Agreement goals.

Southeast Asia hosts some of the most valuable carbon stock in the world, says Tan See Leng, Second Minister for Trade and Industry in a recorded speech. “We are delighted to anchor the CAD Trust in Singapore, as it has the potential to catalyse development of carbon markets in Southeast Asia. It also strengthens our efforts to build Singapore as a carbon services and trading hub.”

Tan adds: “Many like-minded countries and partners have already come on board the CAD Trust. We welcome more countries and partners to join this endeavour to create greater transparency in carbon markets.”

Chandra Shekhar Sinha, adviser in the Climate Change Group at the World Bank, says: “There was a clear message coming out of COP27 last month that countries need functioning market infrastructure for carbon markets to achieve their climate goals. We hope that CAD Trust becomes a critically important source of data by connecting registry systems of the voluntary and compliance carbon markets to bolster transparency and accountability in these markets to meet corporate needs and to further the implementation of the nationally determined contributions that sit at the heart of the Paris Agreement.”