

# New global platform to enhance transparency of carbon markets rolled out in S'pore



The platform, known as the Climate Action Data Trust, will create a decentralised record of data from major carbon credit registries. PHOTO: PIXABAY

**SINGAPORE** – To build confidence in carbon markets and enhance the transparency of the international carbon credit trade, a global platform consolidating data was launched on Wednesday.

Anchored in Singapore, the platform, known as the Climate Action Data Trust (CAD Trust), will create a decentralised record of data from major carbon credit registries.

Registries can be operated by governments, non-profit organisations or private companies.

Six registries – including major ones such as Verra, Gold Standard, American Carbon Registry and Global Carbon Council – will be added to the platform by March 2023. There are around 26 global carbon registries, which account for the bulk of carbon credit projects worldwide.

The CAD Trust – a joint initiative among the International Emissions Trading Association (IETA), World Bank and Singapore Government – was launched at the Asia Climate Summit at Marina Bay Sands on Wednesday.

In a recorded speech that was played at the event, Second Minister for Trade and Industry Tan See Leng said transparency injects greater trust in carbon credit transactions and is a “key ingredient” in the scaling up of carbon markets.

He noted that South-east Asia holds some of the most valuable carbon stock in the world and anchoring the CAD Trust in Singapore has the potential to catalyse the development of carbon markets in South-east Asia.

He added that the trust could also reduce the risk of double counting – where the same carbon credit is issued more than once by multiple registries.

This is a result of the fragmented nature of carbon markets, where transactions happening outside of each registry cannot be captured, allowing more than one registry to claim carbon credits for the same forest conservation project, for example.

Mr Chandra Shekhar Sinha, adviser to the Climate Change Group at the World Bank, said a clear message from [the COP27 climate summit in November](#) is that countries need functioning market structures for carbon markets to achieve their climate goals.

Under Article 6 of the Paris Agreement, countries and companies can trade carbon credits – each representing a tonne of carbon dioxide removed from the atmosphere or prevented from being emitted, which companies or

countries can buy to offset their emissions. This allows them to decarbonise and cut emissions in a cost-effective way.

Speaking to reporters on Wednesday, Mr Dirk Forrister, president and chief executive of Ieta, said the CAD Trust would provide users with access to information on carbon credit transfers between countries – especially for credits that have corresponding adjustments.

The “corresponding adjustment” mechanism prevents the same carbon credit from contributing to both countries’ climate targets, which is crucial in ensuring that the credit has a material impact on cutting global carbon dioxide emissions.

Mr Benedict Chia, director-general (climate change) of the National Climate Change Secretariat, said while the CAD Trust is not punitive, having such a platform could discourage countries from flip-flopping, due to potential reputational effects.

For example, if a country were to list a project on the trust with corresponding adjustments but later decides to remove it, the change would then be reflected on the platform, he added.

Such flip-flopping actions are also not good for building confidence in carbon markets, said Mr Chia.

Ms Hania Dawood, practice manager of carbon markets and innovation at the World Bank, said she hopes that the trust could provide an example for countries looking to develop their own carbon registries, by upholding standards of transparency and traceability.

She added that the World Bank hopes to support 15 developing countries in 2023 to set up their carbon registries and connect them to the CAD Trust platform.

To give the trust direction and ensure it remains successful in achieving its goals, a CAD Trust Council will be created, consisting of national representatives from Bhutan, Chile, Japan, Senegal, Singapore and Britain, as well as carbon registry representatives from Verra, Gold Standard, American Carbon Registry and Global Carbon Council.

The council will give advice and recommendations to the board of directors that is responsible for the operations of CAD Trust.