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That's according to senior members of the organisations, who also announced details of the interim secretariat to Carbon Pulse on Wednesday.

A public announcement relating to the metadata layer, now officially named the Climate Action Data (CAD) Trust, will take place at the end of October, as previously reported by Carbon Pulse (<https://carbon-pulse.com/172544/>), with the operational launch confirmed as taking place on Dec. 8 at an event in Singapore.

As of Oct. 26, following the media launch, stewardship will be handed over to an independent legal entity set up in Singapore with IETA named interim secretariat for a three-year period.

“During this three-year phase, we will try to understand how we can widen its adoption and move towards the benefits that come from a digital ecosystem for the carbon markets,” Chandra Shekhar Sinha, lead financial specialist at the World Bank told Carbon

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The CAD Trust will fall under the umbrella of the Climate Warehouse, and will provide free public access to information on carbon credits, uploaded from both national and independent registries.

This will be done by automatic API linkages with the data to be held securely on the Chia blockchain network.

The overarching aim is to increase carbon market transparency, aid developing countries to report mitigation outcomes, and help international markets to scale.

This is particularly important in light of the Paris Agreement, under which Article 6 was agreed last November at COP26 in Glasgow, that aims to eventually lead to the creation of international carbon market to replace the Kyoto-era CDM.

“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,” Sinha said.

The platform will be free to use, currently funded through philanthropic and grants, but will explore the option of moving towards a use-case business model post-2025 when the IETA secretariat services to the independent entity is due to end.

After this point, IETA will then provide secretariat services to the independent entity that will manage the CAD Trust.

This period will also focus on building a range of services using the Data Layer including interfaces for services such as forecasting and credit ratings.

TESTING PHASE

Since 2019, the World Bank has been prototyping and testing this infrastructure across three so-called simulation phases with partnering governments and organizations to jointly learn about supporting technologies, and integrating registry systems while co-creating the design, functions, and shared data model for the metadata layer.

“The testing and simulation activities enabled participants to envision an interconnected ecosystem, beyond their own standalone system, as well as validate the data granularity and technical architecture,” Gemma Torras Vives, IT specialist at the World Bank told Carbon Pulse.

The third and final simulation tested the operational prototype with 30 organisations, including 11 national governments and 75 testers across 58 testing sessions took part with tracked feedback captured in the recently published final report (<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099605009212233328/idu09ef226cf0a663041d60869f07078d1af9fd3>).

Feedback was mostly positive with stakeholders welcoming the level of technical support given for connecting to the Data Layer.

Overall respondents commented that the Climate Warehouse represented the best alternative that could provide a one-stop platform for all information pertaining to registries.

Some feedback against its immediate uptake included the need to build internal consensus among organisations and governments before signing off on its use.

“We took input on data needs from many IETA members who took part in Climate Warehouse consultations over a 3-year period. 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,” Dirk Forrister, President and CEO of IETA told Carbon Pulse.

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Testing included the installation, user interface, API connection and import/export of data functions, to ensure the metadata layer could be used by all governments.

This has been a challenge for developing countries in particular where capacity building and ensuring the correct tools for reporting mitigation outcomes is **considered a hurdle to overcome** (<https://carbon-pulse.com/174869/>).

“The Climate Warehouse enables users to see what is being done to mitigate climate change around the world and can help to achieve better coordination and access to the available information in carbon markets,” the ministry of the environment of Chile commented in the final report of the Climate Warehouse.

The aim of the Data Trust is to be able to host real-time, instantly updated information on a wide variety of carbon credit metrics including issuances and retirements across all registries.

This should save a substantial amount of time and foster inter-governmental collaboration, commented Sinha of the World Bank.

“The physical verification system – the monitoring, reporting, and verification – was the weakest link in the Kyoto markets. It was expensive, it was time consuming, it required a huge amount of effort. It delayed the process so much that it could take 1-2 years to issue credits,” he said.

“By using a common metadata layer, a broad set of registries will be able to share essential features and be capable of interconnecting efficiently and securely. This model aims to bring together the “bottom up” registries of Article 6.2 into a joined-up system,” Forrister also commented.

“The goals of the Climate Action Data Trust are to act in the public interest to increase transparency, safeguard against double-counting and build market confidence,” he added.

Challenges with integrity have plagued the voluntary carbon market in particular, with some firms found to be buying and selling credits that are not additional, or simply fraudulent. Recent coverage by mainstream media has amplified this practice taking aim at offsets more generally, threatening the overall reputation of carbon markets.

IETA is now incubating the initiative, with a new entity being set up in Singapore where the project will be hosted with support of the national government.

The handover has already taken place with all assets transferred securely, IETA and the World Bank confirmed. This includes the open source coding for the Data Layer.

The World Bank’s Climate Warehouse was described as the “umbrella programme” for the project and will also include tokenisation, MRV, as well as the metadata layer.

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