

## Annex 1. How the Climate Action Data Trust might help

The Climate Action Data Trust (CAD Trust) is an independent NGO devoted to establishing high integrity market infrastructure for the international carbon market. It was established by the World Bank, IETA and the Singapore Government in 2022 following three years of concept development and stakeholder consultations. The CAD Trust’s vision is for all major national carbon registries and independent crediting programmes to feed data voluntarily and automatically to a common platform according to a standardised data model. This approach has the potential to link, aggregate and harmonise market data while preserving the data ownership and original registry functions in the crediting programmes and national registries. The platform enables public access to data from all participating registries, with aim to simplify due diligence reviews, double-counting checks, and a build out of any relevant services using said data, ultimately enhancing accounting in line with the Paris Agreement.

The CAD Trust offers much of the functionality that the EU, the US and Parties supporting either position are trying to balance to achieve a high integrity registry system. However, rather than creating a centralised registry run by the UNFCCC, it operates a decentralised open-source platform and has a public-private governance model involving governments, independent non-governmental standards, carbon market participants and others interested in market transparency.

- The CAD Trust data model defines a common set of carbon credit data specifications and is made available for use by any carbon registry system at no cost. This data model was developed in collaboration with a set of countries, independent crediting programmes and market experts, and has a process for its continual review. Efforts are also underway to pursue standardisation through ISO, align with other emerging standardisation initiatives, and to assess the comparability with the Agreed Electronic Format (AEF) for Article 6.2 reporting purposes. The data model and infrastructure also allow for Article 6 specific additions, such as “authorisation” or “corresponding adjustment” labels, once this information becomes available.
- Programmes willing to participate are guided through a data mapping exercise and establish a technical connection to reflect their registry data on the CAD Trust blockchain platform. The original data continues to be held in the national registries or independent crediting programmes, while digital “twins” of the data are visible in the CAD Trust multi-registry platform.
  - The platform is open for national registries regardless of what registry provider Parties choose to use.

- The decentralised platform could ultimately provide real-time visibility into multiple registries, including government systems, independent crediting programmes, and potential interactions between the two.
- It would also provide an auditable track record of changes and transfers – all without connection to a central authority.
- The CAD Trust governance system has four main bodies:
  - Strategic guidance is provided by the Council with representatives from six countries (currently Singapore, the UK, Bhutan, Chile, Senegal, and Japan) and four independent registries (currently Verra, Gold Standard, the Global Carbon Council, and the American Carbon Registry). The Council reviews and approves updates to the data model and multi-registry platform and partner collaboration;
  - A Technical Committee comprised of technical experts and market participants provides recommendations on how to implement and improve the data model and multi-registry platform;
  - A User Forum allows market participants, academics and NGOs to provide feedback on user interactions with the CAD Trust to the Technical Committee and Governing Council;
  - The Secretariat oversees the operations and implementation of the work programme.
- The CAD Trust does not perform credit quality reviews. Instead, it provides visibility on credit classification, attributes and labelling based on multiple features (e.g. the type of methodology used, the verifier used, vintage year, and quality labels, such as the ICVCM's Core Carbon Principles (CCP) label or the CORSIA validity label).

While the CAD Trust does not assess credit quality, it is designed to enable multiple service providers to support transparency and integrity. For example, rating agencies could use the available data to perform quality ratings of project types, over and above the CORSIA and CCP tags. Additionally, it could enable transparency initiatives themselves to track and verify programme compliance with the labels issued, thus enhancing trust in the process.

The CAD Trust could provide necessary transparency on international 6.2 authorisations and transactions for those interested in real-time information, regardless of the registry providers and approaches chosen by individual Parties. It is also intended to be compatible with all processes for Party transparency reporting, including potential connections with the UNFCCC CARP accounting and a transparency-focused international registry, for Parties who may choose to use it.

The CAD Trust is committed to maintaining consistency with Article 6 requirements as they evolve. Importantly, however, Parties are not obliged to use the CAD Trust, and it is intended to supplement rather than replace the Article 6 guidance.