

# National REDD+ Registries

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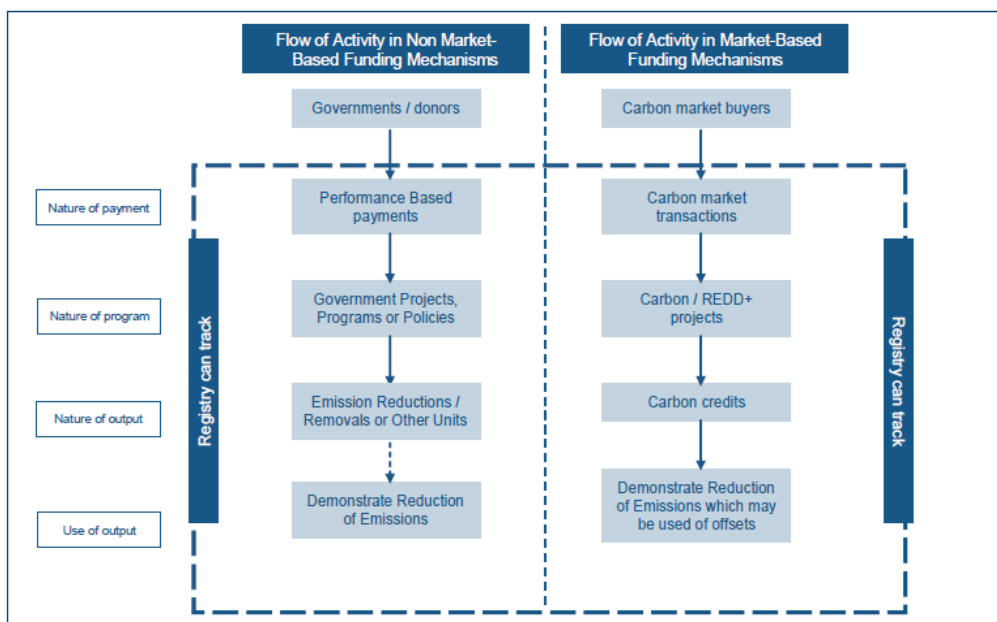
*Development Cooperation can support Registries. Their technical design and, even more, their legal and institutional set-up represent major challenges. This paper gives an up-to-date overview of the issues involved.*

National REDD+ Registries can provide governments, donors and private sector with transparent and meaningful data from which to make results-based payments for REDD+. They ensure that important information is captured, processed, stored and accessible when required. Regardless of whether REDD+ is financed via a market-based mechanism or not, registries could play a key role in the national legal and institutional frameworks established for the implementation of REDD+, by helping to aggregate and track multiple levels of REDD+ activities (national - subnational – project level) and to channel international funding.

The term “registry” in this context refers to the electronic infrastructure, rules and operational procedures designed specifically to ensure accurate, efficient and transparent recording of REDD+ actions, their respective emission reductions, or another agreed performance metric, as well as the issuance of REDD+ units and tracking of results-based payments.

## Purpose and value of national REDD+ Registries

- Ensure **confidence, integrity, transparency and efficiency** of information relating to emission reductions and payments issued for them
- Ensure **environmental integrity** (e.g. avoid double counting, ensure consistency between national and subnational reference levels, leakage management etc.)
- Ensure **accountability** of REDD+ actions (e.g. including compliance with safeguards and benefit-sharing arrangements)



It is important to note that registry technology is essentially database driven and is not particularly complex if designed correctly from the start. However, it needs to be based on clear policy requirements and procedural considerations, and that is where most of the complexity comes in. As a key element of a country's institutional framework for MRV, registries are meant to be neutral tools responsive to the informational and infrastructural needs of participants based on laws, rules, practices or guidance. The registry is an enabler, not a driver of policy. Therefore, it is not the role of the registry provider to make subjective assessments of matters that need to be addressed by policy makers and law, such as e.g. rules for the definition of reference levels, procedures for the verification of information and approval of REDD+ actions, measures to address leakage and non-permanence, benefit-sharing and carbon rights, as well as compliance with standards or a potential moratorium.

## Existing Registries

The Kyoto Protocol works with a network of national registries interacting electronically with one central “international transaction log” operated by the UNFCCC Secretariat. On the voluntary carbon market, most major standards (e.g. VCS or The Gold Standard) are linked with third party registry providers, and both sellers and buyers increasingly use registries because of the confidence, transparency, efficiency and credibility they provide, especially in the absence of a compliance framework. One of the best-known and most advanced registries is the California Climate Action Registry<sup>1</sup>, a non-governmental, non-profit corporation with members including international companies, government agencies, cities and universities who publicly report their GHG emissions in an on-line reporting system.

## Institutional Arrangements

A registry could be managed by a government agency, outsourced to a third

<sup>1</sup> www.climateregistry.org

party (service provider or non-profit organization), or a combination of both. Whoever operates the registry, must avoid conflicts of interest or improper influences when carrying out its administrative functions, enable third party/regulator access and approval where required, ensure data integrity and registry security (e.g. against fraud or theft) and guarantee long term data capture, auditability, storage and retrieval.

The entity responsible for overseeing the registry and its operations could be the same as the entity responsible for other aspects of REDD+ in the country, e.g. endorsing reference levels, providing guidance on stakeholder participation and approving subnational REDD+ activities. Having the registry operator accountable to a national authority (by legislation or by contract) would help countries ensure the registry operates in accordance with relevant regulations.

### Registry Infrastructure

Most registries operating in carbon markets operate similar data base systems, where users open accounts, hold units (Emission Reductions) and communicate with a central operations body regarding movement of those units. Registries generally have a public area and a secure area enabling transparency and confidentiality where required. User data

are stored in a centralized location with restricted access (password-protected). The registry administrator has super-user access enabling the management of accounts, issuance and cancellation of units. The EU Commission and the UNFCCC Secretariat have issued technical specifications on security and connectivity for compliance market registries that would be applicable to a national REDD+ registry.

A web-based front end (see picture below: Screen Shot of the Voluntary Carbon Market Registry *Markit*) allows user-friendly data viewing and entering (e.g. uploading program design documents, validation reports, proof of land title). Most registries use international data formats and English language, but it is possible to use other languages, too. Long-term electronic document storage (10-12 years) facilitates document recovery in the event of audit or other legal requirements.

### Rules and Procedures

In order to promote participation and access, the procedures and guidelines for the operation of the REDD+ registry should be based on simple, transparent, and expeditious rules on e.g.

- validation of subnational performance-based REDD+ actions
- use, operation and suspension of

accounts

- identity verification, anti-money-laundering and anti-fraud-checks, privacy policies
- daily administrative support to opening accounts, document checks, decisions to accept/reject documents, unit issuance

Responding to the evolving nature of the international REDD+ architecture and to the different national circumstances and capabilities of REDD+ countries, a national REDD+ registry can be implemented in phases.

### Phased development of Registries

Start with basic features and increase complexity according to capacities and needs. Eventually adhere to both internationally agreed policy and potentially additional domestic requirements.

#### Phase 1 – Tracking of REDD+ actions:

Countries may wish to start by simply capturing core information for each REDD+ project or governmental program, tracking their activities and performance. The location of projects or programs could be captured with GPS coordinates in order to avoid double counting. Performance can be measured either in tCO2e or through proxies (e.g. ha of forest area)

#### Phase 2 – Issuance and Unit Tracking:



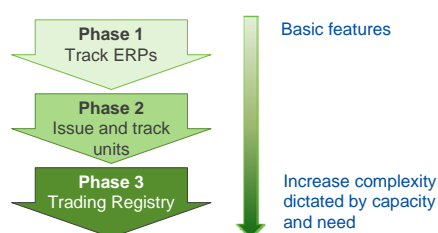
Registry - Public View

Clear Search:  Registry: Markit Meta Registry All Units

Account Holders	Projects	Issuances / Listings	Holdings	Retired Credits			
Retirement Date	Vintage	Project	Account	Standard	Project Type	Retirement Quantity	Measurement
23 May 2012	2010 - 2011	Limay Community Carbon	Taking Root - EnRacine	Plan Vivo	Forest	10	PVC (tCO2e)
Serial No.: PV-PVC-NI-100000000000609-01102010-30092011-2105765-2105774-MER-0-A				Retired on behalf of Centre de production & d'exposition Eastern Bloc			
23 May 2012	2010 - 2011	Limay Community Carbon	Taking Root - EnRacine	Plan Vivo	Forest	1	PVC (tCO2e)
Serial No.: PV-PVC-NI-100000000000609-01102010-30092011-2105764-2105764-MER-0-A				Retired on behalf of Candace Vinke			
23 May 2012	2010 - 2011	Limay Community Carbon	Taking Root - EnRacine	Plan Vivo	Forest	3	PVC (tCO2e)
Serial No.: PV-PVC-NI-100000000000609-01102010-30092011-2105761-2105763-MER-0-A				Retired on behalf of David Wilson			
23 May 2012	2010 - 2011	Limay Community Carbon	Taking Root - EnRacine	Plan Vivo	Forest	1	PVC (tCO2e)
Serial No.: PV-PVC-NI-100000000000609-01102010-30092011-2105760-2105760-MER-0-A				Retired on behalf of Marie-Liën Duymentz			
23 May 2012	2007- 2009	10 MW Wind Power Project in Maharashtra by Deepak Fertilizers and Petrochemicals Corporation Limited	Carbon Banc Limited	Verified Carbon Standard	Energy Industries - renewable/non-renewable sources	1	VCU (tCO2e)

As national MRV capacities increase and a national reference level is adopted, this can be consolidated with the various subnational and project reference levels. Submitted MRV documentation can be checked for completeness and compliance with rules. REDD+ units can then be issued – and transferred to a buyer (market) or retired from further use (non-market), while the respective results-based payments are recorded in the registry.

**Phase 3 – Trade Registry:** In the case of a future establishment of carbon markets, countries may opt to expand their registry infrastructure to allow the transfer of units between accounts at their national carbon market or link with other international registries to trade, voluntarily retire or surrender units for compliance.



### Key Issues and Design Options

**Transparency:** Registries can play a key role ensuring that important information is captured, processed, stored and accessible when required (e.g. real time record of unit status and ownership, transaction history, tracking safeguard compliance and co-benefits). This will provide vital information to stakeholders and help promote the credibility of REDD+ actions.

**Efficiency:** Registries should be efficient and reduce transaction costs. This includes determining levels of access to a registry (users, the public, and registry administrators), scalable electronic infrastructure, linkages across registries (via data exchange standards), document

management, and reporting and auditability.

**Environmental integrity:** A REDD+ registry should reduce the risk of double counting (of emission reductions from the same area of forest by two different Emission Reduction Programs, or of the same emission reduction at the subnational and national level) and prevent overselling units. It could help to consolidate various levels of accuracy, i.e. ensuring consistency between national and subnational reference levels. The registry could also support a number of policy options to address situations where national emissions exceed the national reference level, displacement of emissions (leakage) or reversals of reported emission reductions (non-permanence). Such options are negative accounts, national buffer or reserve accounts filled from a percentage of units issued; cancellation or periodic expiration of already issued units.

**Accountability:** Registries should ensure accountability. This includes operational processes and checks whether units are eligible to meet any regulatory obligations, and serialization of units. A serial number for a REDD+ unit must be unique, but also enable holders to access key information about the underlying environmental benefit that the unit represents, i.e. quantitative checks on emission reductions but also non-GHG related features. For example, compliance checks can also include safeguards and benefit-sharing arrangements (when these are precisely defined in national rules or under a chosen standard or international program), with procedures for local communities' involvement and participation, and with any specific requirements applicable in indigenous peoples' territories. In this case the Registry would provide information on the status of (independent) validation/verification for the respective project or program and under which standard it

is going to be certified. A REDD+ Registry could also be a tool to register quotas assigned to carbon rights holders under a centralized national approach, thus serving effectively as a "benefit sharing mechanism".

### Costs

Given the wide variability of design elements and the phased nature which they may be delivered, it is not possible to estimate costs on a general basis. Options to finance REDD+ registry infrastructure and ongoing operation could initially include donors grouping funds to finance the set-up or extension of existing infrastructure, but should be charged to national governments and users of the registry on a pro-rata share of their registered REDD+ units. Compliance market registry generally don't charge users as those are required by law to utilize the registry system. Volume-based fees in voluntary market registries generally include a nominal account maintenance annual fee per user (approximately USD 600) and fees relating directly to transaction volumes (ranging from US 2-10cents per unit issued, transferred or retired).

### Further information::

Dr. Karl-Heinz Stecher  
Tel. ++49 (0)69-7431-8720;  
E-mail: [Karl-Heinz.Stecher@kfw.de](mailto:Karl-Heinz.Stecher@kfw.de)

REDD Expert Dialogue 5 organized by Anja Bursche based on: "National REDD+ Registries – An overview of issues and design options". Full report available at [http://www.kfw-entwicklungsbank.de/ebank/DE\\_Home/Sektoren/Naturressourcen%2c\\_Tropenwald/National\\_REDDplus\\_Registries.pdf](http://www.kfw-entwicklungsbank.de/ebank/DE_Home/Sektoren/Naturressourcen%2c_Tropenwald/National_REDDplus_Registries.pdf)