

Trading Up: Carbon Markets in a Blockchain World

Zasti CEO Advocates Blockchain Solutions to Bolster the Carbon Market

LOUDOUN COUNTY, VA, UNITED STATES, December 1, 2021 /EINPresswire.com/ -- Krish R. Krishnan, CEO of [Zasti](https://zasti.ai/), an advanced analytics enterprise, offering Carbon Tech solutions and strong environmental, social, and governance (ESG) values to the United States healthcare marketplace, advocated utilizing blockchain technology to achieve "transparent and responsible carbon markets."



Meeting decarbonization goals using Artificial Intelligence

The posting shared directly with Zasti investors and other thought leaders advocate "the accelerated deployment of our most promising technological solutions" to bolster carbon trading as stakeholders push for net-zero emissions.

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Businesses everywhere are well-versed in the danger of quick fixes, and blockchain is anything but. It will take resources, time, and precision to pull this off, but we have never been more ready.”

Krish R. Krishnan

The complete posting from Krish Krishnan is below and also posted at <https://zasti.ai/>:

Trading Up: Carbon Markets in a Blockchain World

Decision-making on internationally transferred mitigation outcomes (ITMOs) has been a major talking point since the ratification of the Paris Agreement. The Glasgow Summit built on Article 6 of the Paris Agreement to advocate for a strong and transparent carbon trading regime. However, carbon markets continue to be regarded with suspicion, given their questionable track record. Double counting,

opacity, and geographically isolated market deployments remain core concerns for governments and businesses across the world.

There is no doubt anymore that we are at a crossroads. Much of our future success relies on transparent and responsible carbon markets. The push for net-zero emissions targets demonstrates the need for convergence — between business interests and environmental objectives. While Certified Emissions Reductions (CERs) remain a concern, the interpretation of

Article 6 remains key to constructing a robust mechanism for environmental integrity. Private entities in particular have a dual responsibility. They need to drive public policy towards sustainable, technologically-driven outcomes and serve as models for transparent carbon trading under the UNFCCC compliance channel of CERs, and Voluntary Emissions Reductions (VERs). The Glasgow Summit has reiterated the expectation that sustainable investments must contribute to the reach and resilience of markets.

What does this translate to?

In an ideal scenario, countries like the United States, Canada, and China should be able to platoon their markets to create a system of tradable credits that are monitored and carry considerable profit potential. However, as with everything else, the fine print is worth looking into. The current format of carbon markets reveals that the Glasgow Summit's endorsement cannot by itself produce the systems required for kick-off. But this doesn't necessarily mean we go back to the drawing board. Instead, we have only to look to the spectrum of tech solutions that currently exist. Among these, our strongest and most future-proof option lies in the realm of blockchain.

Why blockchain?

Carbon markets were previously used as getaway mechanisms by polluting organizations. However, successive climate change agreements have emphasized the need for a decentralized carbon market imbued with trust and accountability. Blockchain effectively eliminates the possibility of double-counting by maintaining precise and future-proof emissions records submitted voluntarily by participating businesses. These records are stored in an immutable ledger distributed across a network of systems. Blockchain reporting would therefore be a truly innovative solution if carried out in ways that enhance accessibility and use. This is possible if established businesses can demonstrate their commitment to a new disclosure regime by pushing for its adoption within their supply chains. Importantly, it would also enable businesses to monitor emissions intrinsic to the utilization of blockchain, and power the technology through innovative renewable pathways. The latter has already been successfully employed to optimize energy-intensive processes such as cryptocurrency mining — an emissions reduction framework would require far less energy by comparison.

It is essential to recognize that a decentralized and unregulated carbon market can only be effective under conditions that maximize transparency and minimize environmental and economic losses. Blockchain supplies the missing ingredients by targeting sources of inaccuracy and inconsistency in existing markets, with the support of resilient and disruptive technology:

- It creates a basis for the triangulation of real-time emissions data against targets across the supply chain to arrive at an accurate evaluation of organizational emissions performance. This could make use of a system similar to smart contracts that ingrain numbers into a ledger and are automatically activated upon meeting standardized requirements.

- It eliminates the possibility of tampering by making emissions data immune to modification and as a result, transparent.
- Blockchains that follow consensus-based protocols further enhance environmental integrity by pre-defining a system of network validation that prevents individual organizations from trading phantom credits.
- By participating in a blockchain-based carbon market, business entities have the option of placing their data into private or main channels; however, the underlying prerequisite of transparency would imply that users who select private channels would submit to common methods of verification.
- This type of consensus architecture has the potential to contribute to the UNFCCC goal of equity by making initial investments into the network pre-determined and of equivalent value across all participating business entities.
- Lastly, blockchain not only can track Scope 1 and 2 emissions but with rigorous groundwork, can also be operationalized to maintain accurate records of Scope 3 emissions.

A finite window of opportunity calls for the accelerated deployment of our most promising technological solutions. Rising mercury demands that we aside our fear of the unknown and commit ourselves to explore the full potential of disruptive ideas. Businesses everywhere are well-versed in the danger of quick fixes, and blockchain is anything but. It will take resources, time, and precision to pull this off, but we have never been more ready.

About Zasti

The Zasti proprietary carbon emission metrics database and AI platform offer a granular, accurate baselining of emission and configurable ESG (Environmental, Social, & Governance) compliance reports. The Zasti AI analytics suite provides management teams with fact-based, real-time, actionable insights that deliver meaningful progress toward meeting decarbonization goals. To automate your decarbonization goals, visit <https://www.zasti.ai/>.

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