Submission by the Russian Federation on technical specifications and associated cost estimated for the international registry and requirements for centralized counting and reporting platform (CARP) and Article 6 Database (A6DB)

pursuant to paragraphs 26 and 33 (c) and of FCCC/SBSTA/2022/L.12, paragraph 8 of 2/CMA.3

July 2023

Technical specifications and associated cost estimates for the international registry

General considerations

The Russian Federation appreciates the work undertaken by the Secretariat to present the document *Functional requirements and associated cost estimates for the international registry* and the efforts made to accommodate a variety of requests voiced by the Parties.

However, the approach not to include any information on how the listed functional requirements can be implemented does not seem to be fit for the purpose. Although the technical paper should not undermine the Party-driven process and prejudge future decisions by the CMA, the Parties need sufficient information to make justifiable decision on the implementation.

In this regard, the most helpful approach would be to include in the paper information on the implementation options with the assessment of costs.

In terms of functions covered, the document comprehensively covers issues related to tracking, but lacks information with regard to functions enabling reporting of quantitative information. Despite the fact that the AEF and tables for regular information are not finalized, later iterations of the document could contain more detail on the processes and procedures that ensure composition of data to be reported in suitable formats and their transfers to CARP, A6DB and national authorities of Parties.

Structural elements

1. Types of users

The international registry is mandated to have Party-specific sections and should be able to provide access to the Party and other entities for which access is authorized by the Party to implement such actions as authorization, first transfer, transfer, acquisition, use towards NDCs, authorization for use towards OIMPs, and voluntary cancellation. While in higher-tier registry these actions are likely to be conducted by entities performing on behalf of the Party itself, for transactional registries transfer, acquisition and use can be performed by authorized entities and correspond to relevant Party-level actions (first transfer, NDC use, etc.).

Therefore, it may be practical to differentiate two types of Account Holders: Party Account Holder and Entity Account Holder, while the same user may perform Party

Section Administrator and Party Account Holder functions.

2. Accounts (transactional mode)

More clarity could be helpful with regard to accounts for transactional mode of work, especially in terms of their allocation to cooperative approaches.

In particular, the following questions could be addressed:

- What types of accounts can and should be opened by authorized entities? For instance, are they limited only to holding account or does an entity require its own use/cancellation account?

- What accounts can be under the responsibility of Registry Administrator and does it imply that these accounts are common for the whole registry? For example, is an administrative cancellation account single for all cooperative approaches and Party-specific sections and supervised by the Registry Administrator? Same question could refer to issuance account, cancellation account, proxy accounts, etc.

- An entity is to be authorized under a specific cooperative approach. If it is authorized by the same Party under multiple cooperative approaches, all of which employ international registry in its transactional mode, does it require a separate entity account for each cooperative approach?

3. Metrics (Mechanism registry)

The definition of an A6.4ER in paragraph 2b of the RMPs (Annex to 3/CMA.3) includes an alternative of 'other metrics adopted by the CMA pursuant to these RMPs' for A6.4ERs.

The document, however, refers to the Guidance on Operation of the mechanism registry (Annex IV to 7/CMA.4) with regard to the limitation of A6.4ERs' metric to CO_{2e} units only. Reference to a specific provision would be helpful to support this understanding.

Interoperability and communications

1. Options for interoperability implementation

To support decisions on interoperability provisions, more detailed information on the difference between the options for interoperability implementation, i.e. API and transaction log, would be helpful. Namely, the details could cover available functions, technical requirements for implementation and costs. The document does not sufficiently clarify if these options are intersubstitutable and to what extend, or whether the sequencing of their introduction is inevitable. For instance, does a transaction log require API introduction as a pre-condition? Are their delayed cost implications for the later shift to transaction log from API if that is the scenario envisaged in the technical paper?

Parties could benefit from the information concerning specific APIs envisaged for communications – transaction, reconciliation or pulling, - as well as data necessary for such communications (specific information about the account in the relevant registry, information on a mitigation outcome).

2. Authorization

With the acknowledgement of the challenges arising from the absence of agreement on certain issues of authorization, some more detail on the procedures related to the labelling of authorizations in the international registries could be helpful.

Specifically, the Parties could benefit from more detail on the procedures to attribute authorization automatically in the registry based on pre-set criteria and with the use of API. In particular, the technical requirements on the side of source of criteria/authorization trigger, including that of 'information systems of specific cooperative approach' could be elaborated.

Clarifications of terms and notions

Certain terms and notions used in the document require additional clarification or explanation with the use of examples.

For instance:

- 'arbitrary sized, uniquely identified accounting amounts'. How the size of an amount would be determined? How tracing in case of splitting would be maintained, noting that there should be linkage to the uniquely identified underlying mitigation outcomes?
- 'impersonation' by the registry administrator. In which cases it may be needed? What are conditions and modalities for this action?
- In which cases a single user might have roles in multiple Party sections?
- In which cases connection with voluntary cancellation platforms is envisaged? What are the examples of such platforms?

Requirements of the CARP and A6DB

General considerations

The Russian Federation appreciates the work undertaken to develop Functional requirements for the CARP and the A6DB and consideres the presented document sufficiently comprehensive in terms of the description of the functionalities of the centralized infrastructure of Articles 6.

However, certain improvements could be helpful in further iterations. Namely, the document lacks cost estimations.

Interaction with registries

The paper could prpvide more information on the modes of interaction or rather flow of information from the registries to the A6DB. That could include specific technical requirements that a registy would need to ensure preparation and submission of machine-readable reporting.

It would also be helpful to have more detail on the difference in processes and procedures for prepopulation of reporting formats with the data from the registries and

submission of reporting generated in the registries. Specifically, Parties would benefit from the understanding of technical requirements for the registries for both functions, level of automation, limitations to the possibility of manual changes to the data in each case, if any.

Confidentiality
The document could benefit from a more comprehensive description of he means that ensure confidentiality of information designed as such by the Parties.
As for the modes of submission of such information, from the practical perspective, the agreed outline of initial report includes a specialized anex for the confidential information, which ensures clear labelling of the information designated as confidential and allows simple separation of non-confidential information that can be published. We suggest that further development of the CARP and A6DB functional requirements would proceed on this basis.

Pre-checks and consistency checks
The document provides a number of reasonable triggers for automatic checks. Clarification would be helpful if the options listed are alternatives to be chosen by a Party or the hecks are to follow each of the events mentioned.