

The United Kingdom of Great Britain and Northern Ireland's submission to the United Nations Framework Convention on Climate Change on Article 6, paragraph 2 of the Paris Agreement

Views on the functional requirements for the international registry, the centralized accounting and reporting platform, and the Article 6 database

As invited to in paragraphs 26 and 33 (c) of Decision 6/CMA.4¹



¹ [Decision 6/CMA.4](#)

The United Kingdom of Great Britain and Northern Ireland (UK) is pleased to make this submission on Article 6, paragraph 2, of the Paris Agreement and is hereby submitting its views on the functional requirements for the international registry, the centralized accounting and reporting platform (CARP) and the Article 6 database (A6 DB), as invited to in paragraphs 26 and 33 (c) of [Decision 6/CMA.4](#). These views are expressed in relation to the two following technical documents provided by the Secretariat:

1. [Functional requirements and associated cost estimates for the international registry](#) (Version 01.0) hereafter referred to as the 'IR document'
2. [Functional requirements for the centralized accounting and reporting platform and the Article 6 database](#) (Version 01.0) hereafter referred to as the 'CARP and A6 DB document'

1. Executive summary of UK views

In general, the UK would like to see more disaggregated costs regarding different implementation options and estimates of expected usage of the international registry, the CARP and the A6 DB.

International Registry functional requirements

- The international registry should accommodate both transactional and higher-tier uses
- Accounts in the international registry should support co-operative approaches with Parties using national transactional registries
- More detail on authorisation and corresponding adjustments (incl. labelling) should be included
- The need for reconciliation procedures must not be disregarded
- National laws relating to the handling, sharing and disclosure of information and personal data must be considered in the International Registry functions.
- The UK welcomes the naming of account types but it is also important to provide guidance on minimum accounts needed
- A breakdown of responsibilities between the international registry administrator, party-specific section administrators and the administrators of national registries is needed to avoid uncertainty around responsibilities

Centralized Accounting and Reporting Platform requirements

- CARP functionalities must facilitate the successful and timely delivery of the Technical Expert Review (TER); help Parties manage and swiftly resolve inconsistencies; and provide a means to achieve transparency and accountability by making information publicly available
- For the Article 6 TER Reviewer User, the confidential data shouldn't necessarily be limited to what is needed for '*completion of assigned tasks*', as TER reviewers should have access to all the information required to perform their role
- Alerts functionality would enable prompt delivery of the TER, and allowing the reviewer to see previous responses would enable the TER reviewer to have a complete picture of the Party's past actions
- Ensuring results produced by the Article 6 database are made public is key, as well as ensuring reasons for any inconsistencies are clear and of the right level of granularity to allow Parties to take appropriate action

- The UK would like to see a future decision on the status of submitted reports, status of the TER, and information on whether a submitted report is locked (including the reason for the locking) being public, to enhance transparency.
- On common nomenclatures, there is a balance to strike between allowing the system to be dynamic and up to date, whilst also providing a level of stability to foster joint understanding of terminology

Article 6 database functions

- One of the functions of the Article 6 database should be to assign Article 6 database record IDs and CMA should clarify this
- How the results of checks involving confidential data are reported should be elaborated and the consistency check output of all checks should be made publicly available via the public interface of the CARP
- Further work is needed to build joint understanding regarding the flows of information between the A6 database and the CARP, how both qualitative and quantitative information will be stored, and the data extraction and visualisation formats planned for public information

2. International Registry

General remarks

The UK has continually favoured a registry system approach that allows for the transfer of Internationally Transferred Mitigation Outcomes (ITMOs), with (i) common tracking approaches, (ii) centralised communication protocols, and (iii) connections between registries. The UK has long-standing expertise in transaction registries, including 20 years of Emissions Trading Scheme (ETS) Registries through schemes including UK ETS, EU ETS and the UK Kyoto Protocol Registry, as well as through His Majesty's Land Registry. The UK emphasises the benefits of transactional registries, including allowing for direct trading between Parties both nationally and internationally, supporting future flexibility and participation from wider user groups, and the fact they are established models for maintaining data integrity and security. In terms of connections between registries, the UK would like to continue to underscore the benefits to be had in general from consistency and integration across registries. To the extent possible, the UK believes that the international registry should build on this successful model.

That said, some Parties to the Paris Agreement have expressed a preference for higher-tier approaches which involve 'pulling and viewing' functionality that track transactions with units that occur in underlying transactional registries. The UK welcomes the work from the UNFCCC Secretariat on the IR paper, which to an extent reconciles these views by setting out how the international registry could accommodate **both** transactional and higher-tier uses (see A6R-53² in the IR document). Including this transactional function is important, not

² A6R-53 - International registry may be used as a transactional registry or a higher-tier registry

only for the UNFCCC Article 6.2 international registry but Article 6.2 participating Party national registries, given transactional systems have been successful and are the basis of the existing national registries of some Parties. **The UK therefore can support this dual functionality.**

Ensuring accounts in the international registry support co-operative approaches with Parties using national transactional registries (as well as with Parties that have international registry accounts) is also important for the UK. Not allowing for this functionality could limit the scaling of Article 6.2 and opportunities for increased ambition.

In relation to the international registry's interaction with the Article 6.4 mechanism registry, the UK understands from the IR document that "shared software and operations provisioning is the most efficient, effective and economic approach to implementation". On this basis, **the UK is minded to support the approach of implementing the two registries as one internally consistent IT system, to minimise costs whilst meeting security and quality expectations.** In addition, the UK continues to support retention of the option of authorised A6.4ERs being able to be transferred to national registries.

However, whilst the UK acknowledges that "*ranges for cost estimates are not provided in this document due to considerations related to the forthcoming process for solicitation of service provision*", the **UK would like to see more disaggregated costs regarding different implementation options and estimates of expected usage of the international registry.** The UK understands this may be informed by the mandated survey the Secretariat is carrying out, on Party choices between establishing a national registry or using the international registry to understand the potential volume of work and associated costs.

Whilst the UK is providing views in this submission based on the technical documents provided by the Secretariat, **final considerations and further UK views will hinge on costs and expected use** and cost-effectiveness should be maximised as the registry is developed.

Functional requirements

The UK is broadly content with the functional requirements set out in the IR document, and sees these as a sound basis to build on and iterate. That said, the UK has some specific views on the functional requirements as follows:

- **Some of the functions are not as clear as they could be, due to ongoing ambiguity around overarching issues.** These functions could be refined, through clarification decisions taken at COP28. For example, the function of "*providing access to Party representatives and other entities authorized by a Party*" depends on further guidance from CMA on authorization types and format.
- **The UK agrees that "all efforts should be made to avoid duplication of user records" but believes the IR document should elaborate how exactly this function will be ensured in practice.** One user record across multiple Registries may conflict with a Party's data protection laws or other national policy that restricts use of data. If it is possible for "*one user to have different roles in multiple Party-*

specific sections or combine a regular user role in one Party-specific section with a role of a registry administrator in another Party-specific section” (A6R-15³ in the IR document), the UK would like to better understand how the Secretariat intends to guard against duplication of user records.

- **The need for reconciliation procedures must not be disregarded.** Whilst the UK acknowledges a decision on whether to implement a reconciliation mechanism within the IR could be taken later, this function must not be overlooked. **Where there is a connection to another or multiple registry systems, reconciliation is not only desirable but essential to ensure environmental integrity.** This is because reconciling transfers of ITMOs across accounts, regardless of which type of registry is used, is important to keep track of ITMOs across their lifecycle, and to verify that records match and are consistent. Reconciliation procedures also allow for a consistent approach of implementing rules at a transaction level to ensure a scheme's integrity and flexibility to make quick changes to international or national policy. This should be considered by the Article 6 Voluntary Registry System Administrator (RSA) forum (as it was by the RSA under the Kyoto Protocol), and should factor in the data reconciliation processes⁴ that will be a part of the consistency checks to be performed by the Article 6 database, to ensure reconciliation procedures are effective and harmonised.
- **Regarding the minimal set of built-in business rules (A6R-37⁵) the UK welcomes these simple business rules that shall be readily available in the registry, in particular conditional transfer and acquisition based on account type.** That said, if not already envisaged within these built-in business rules, **the UK would also welcome conditional transfer and acquisition based on other elements** (not only account type), for example based on authorisation, first transfer, or corresponding adjustment applied. Whilst these are covered under Pluggable business rules (A6R-38⁶), if this roll-out does not entail a significant cost nor additional risks, it seems that these further constraints should be part of the international registry functions and part of the minimal set of rules, to help support the implementation of Decision 2/CMA.3 and adherence to rules agreed. For example, to facilitate and encourage the cancellation of ITMOs to deliver overall mitigation in global emissions and encourage contributions to the Adaptation Fund. Any further customised constraints dependent on Party specific preferences should be considered in the context of any additional costs incurred of enhanced services.
- **Regarding corrective actions (A6R-55⁷), the UK welcomes the detail that the first transfer marker will be automatically created in the registry when the event that constitutes a first transfer has happened, and that the latest first transfer marker by date is applicable.** The UK also thinks it is important for markers or descriptors to specify the first transfer definition applied as well as when the first transfer has happened, and stresses the importance of this subsequently being captured across the rest of the lifecycle of an ITMO.

³ A6R-15 - One user may be authorized in multiple Party-specific sections of the registry

⁴ CC-022, CC-023 and CC-024 in the CARP and A6 DB document

⁵ A6R-37 - Minimal set of built-in business rules

⁶ A6R-38 - Pluggable business rules

⁷ A6R-55 - Corrective actions

- Regarding descriptor records: authorization and first transfer (A6R-45⁸ in the IR document), the UK welcomes this detail regarding authorization and first transfer records, but believes this **should be elaborated to include a separate descriptor record, or other suitable approach to keep track of the application of corresponding adjustments in a simple and transparent manner.** This record could contain information on whether conditions have been met in order to consider the corresponding adjustment as having been applied (or whether this is pending) and descriptors required in the case of failure to apply corresponding adjustments. In general, **the UK believes more detail on authorisation and corresponding adjustments (incl. around labelling) should be included in the IR document,** including confirmation of corresponding adjustment activation whether authorized for use towards achievement of a Party NDC, for use for international mitigation purposes other than achievement of an NDC, or authorized for other purposes as determined by the first transferring participating Party. Regarding transaction management (A6R-16⁹ in the IR document) the UK would also welcome a reference to the application of corresponding adjustments.
- **Regarding records, units, and unit blocks (A6R-40¹⁰ in the IR document),** the detail on the human-readable version of the serial number which will be presented in a dash-connected composite form is helpful. The UK recalls that paragraphs 4 and 5, in Annex 1 of [Decision 6/CMA.4](#) stipulate that *“ITMOs shall be uniquely identified in a way that renders ITMOs traceable to the mitigation outcome(s) represented”* and that *“the unique identifier for each ITMO shall comprise at the minimum:*
 - (a) The identifier of the cooperative approach;*
 - (b) The identifier of the originating Party registry;*
 - (c) The identifier of the first transferring Party;*
 - (d) The serial number;*
 - (e) The vintage of the underlying mitigation outcome.*
- In addition, paragraph 32 in the Annex to [Decision 2/CMA.3](#) stipulates the *“Article 6 database shall enable the following: (a) Recording of corresponding adjustments and emissions balances and information on ITMOs first transferred, transferred, acquired, held, cancelled, cancelled for overall mitigation in global emissions, if any, and/or used by participating Parties, through identification of ITMOs by unique identifiers that identify, at the minimum, the participating Party, vintage of underlying mitigation, activity type and sector(s)...”*
- The UK recognizes activity type and sector(s) may be more challenging to include in the human readable version of the unit serial number, and in a consistent way, but would encourage inclusion of this to remain an option within the other components of unit metadata that may be included in the human-readable version of the unit serial number. The UK would like to see use of IPCC sectors accommodated, which would provide benefits for both domestic and international accounting purposes.
- **Finally, national laws relating to the handling, sharing and disclosure of information and personal data must be taken into account in the International Registry functions.** For example, basic information about users (A6R-10¹¹ in the IR

⁸ A6R-45 - Descriptor records: authorization and first transfer

⁹ A6R-16 - Transaction Management

¹⁰ A6R-40 - Records, units and unit blocks

¹¹ A6R-10 - Keep basic information about the user

document) must be handled in accordance with national laws, such as (in the UK context) the Data Protection Act 2018 and General Data Protection Regulation (GDPR). This is important to ensure participant confidence and protect against unlawful disclosures of personal data.

International registry accounts

As set out in paragraph 1 in Annex 1 of [Decision 6/CMA 4](#), every registry that each Party participating will have, or have access to, will include accounts for ITMOs as necessary and to record actions related to ITMOs. **The same applies to the international registry** as set out in paragraph 15 in Annex 1 of [Decision 6/CMA 4](#). The accounts decided must also support preparation of Agreed Electronic Format (AEF), given the international registry is required to produce, maintain, and compile records, information and data, consistently with the annual information submitted in the AEF. The minimum information required in the AEF is set out in paragraph 20 of Annex to Decision 2/CMA.3. To support the ease of collection and reporting of this data, the UK believes the international registry, as well as national registries should at a minimum contain the following two broad account types:

- i. **Participating Party accounts** – as stipulated in paragraph 30 of Annex to Decision 2/CMA. Within these accounts, sub-accounts including a holding account for each Party, and other sub-accounts that should support the compilation of information as required for the AEF (e.g. accounts for ITMOs authorized for use, different authorization types such as for other international mitigation purposes (OIMP) or towards another Party's Nationally Determined Contribution (NDC), accounts for voluntary cancellation, accounts for ITMOs voluntarily cancelled toward OMGE, an account for share of proceeds for adaptation, etc.). These must allow Parties to keep track of the information needed for the AEF, including the quantity of ITMOs first transferred and the quantity of ITMOs acquired to be used towards its NDC.
- ii. **Administrative cancellation/corrective action account** – to enable corrective actions to be taken by the Secretariat, as necessary.

The UK therefore welcomes the naming of account types (issuance, holding, cancellation etc.) in the transnational accounts section (A6R-41¹² in the IR document). **That said, it is important to not only name account types, but to provide guidance on minimum accounts needed.** This should consider views from the Voluntary Forum of Article 6 Registry Administrators and Technical Experts.

In addition, the **UK would like to better understand the rationale for an account being bound to a maximum of one cooperative approach**, and the costs and benefits of such a constraint. At present it is unclear to the UK why this is necessary.

¹² A6R-41 - Transnational accounts

Role of the international registry administrator

The role of the international registry administrator is stipulated in Annex 1, paragraphs 17, 19 and 20 of [Decision 6/CMA 4](#). The UK believes this provides a good initial breakdown of the administrator's responsibilities. This includes how the Secretariat fulfils this role and its responsibilities such as developing and maintaining the international registry software, synchronisation of nomenclature with the CARP, change management procedures, and standards and procedures for interoperability with other registries. The UK also believes the registry administrator should be responsible for developing user guidance, incident/problem management, and ensuring the integrity and security of the registry is maintained (e.g. money laundering prevention and onboarding security). The UK looks forward to seeing these further procedures in due course.

The UK believes that in its work, the international registry administrator should ensure it draws on expertise gained from the Secretariat's experience as International Transaction Log (ITL) administrator, as well as from other registry administrators. This should include expertise around protecting against fraud (such as via 'blank accounts'), procedures for managing transactions that contravene national laws, and how to simplify real-time reporting. As well as establishing, leading and co-ordinating the work of the Voluntary Forum of Article 6 Registry Administrators and Technical Experts, the UK would welcome the Secretariat sharing lessons learnt as ITL administrator at the forum and looks forward to participating in the Forum.

Whilst the responsibility for tracking underlying mitigation activities resides with each Participating Party, given the IR document proposes Party-specific section administrators can be appointed in the international registry, **the UK believes delineation of responsibilities is needed to avoid** uncertainty around responsibilities and obligations. This should provide **a breakdown or mapping of responsibilities between the international registry administrator, party-specific section administrators and the administrators of national registries (both transactional and higher-tier)**. This could feature in the procedures the Secretariat will be developing.

3. Centralized Accounting and Reporting Platform and the Article 6 database

The UK welcomes the Secretariat's work to produce the CARP and A6 DB document and welcomes the detail in setting out how both the CARP and A6 DB could work in practice and the functions they will deliver.

However, the UK has some specific views on the CARP and A6 DB functional requirements, particularly around i) **ensuring functionalities best support Parties and TER reviewers**, and ii) **ensuring transparency and public accountability are upheld**.

CARP functional requirements

CARP functionalities must facilitate the successful and timely delivery of the Technical Expert Review, and support Technical Expert Reviewers. Therefore, the UK believes RSF-001¹³ in the CARP and A6 DB document may be better classified as ‘must have’ functionality, so that Article 6 TER reviewers can easily navigate across the CARP functionalities. Similarly, the UK would imagine that RSF-010¹⁴ alerts functionality would enable prompt delivery of the TER, to inform TER reviewers of what is required and avoid potential unintended time-lags. RQA-009¹⁵ in the CARP and A6 DB document is also important, as it would enable the reviewer to see all previous responses and therefore an indication of repeat issues, to enable the TER reviewer to have a more complete picture of the Party’s past actions and co-operation.

In addition, the UK believes that for the Article 6 TER Reviewer User, the confidential data shouldn’t necessarily be limited to what is needed for ‘completion of assigned tasks’ at this stage. It remains unclear at present what would constitute confidential data under Article 6 and the assigned tasks have not been defined in this document. In addition, the UK recalls that the Article 6 TER teams will be able to access “*information relevant to reviews assigned to them, including confidential information*”, as stipulated in paragraph 27 (f) of Annex 1 of [Decision 6/CMA 4](#). TER Reviewers are already required to maintain confidentiality both during and after undertaking the review. They should have access to all the information, including confidential information required to perform their role and undertake the Technical Expert Review. Therefore, whilst the UK agrees with the CARP and A6 DB document that “*While entering data on the web form related to annual information, Party users can flag specific data as confidential*”, the UK would like to highlight that we do not believe this should be a substitute for not providing information. Further, it may be challenging to define what information is strictly necessary in order for the TER Reviewers to undertake their assessment. **The UK preference is that reports should contain all information (confidential and non-confidential)** but could include flagging of confidential information therein.

CARP functionalities must also help Parties manage and swiftly resolve inconsistencies. The UK therefore sees value in SRE-005¹⁶ functionality to enable Parties to evaluate inconsistencies in a practical way, as well as PSF-007¹⁷ so that Parties can be promptly notified of critical issues. The UK welcomes that ‘*a reason for the inconsistency will be provided*’ in the CARP and A6 Database document, but this must be clear and of the right level of granularity to allow the Party to take appropriate action.

The public interface of the CARP must provide a means to achieve transparency, accountability, and help instill trust in Article 6.2 by making information publicly available. Information associated with Party reports, consistency check results, the application of corresponding adjustments, as well as Technical Expert Reports are all important for transparency of Article 6 and guaranteeing trust in exchanges. For this reason,

¹³ RSF-001 - Article 6 TER reviewer access to a single entry point that includes the accesses to the main tools for Article 6 TER report preparation and submission, and to support materials

¹⁴ RSF-010 - Alerts to Article 6 TER reviewer about the Article 6 TER assigned

¹⁵ RQA-009 - TER reviewer and secretariat user access to all previous responses provided by a specific Party

¹⁶ SRE-005 - Ability for Party users to export pre-check results in their local environment.

¹⁷ PSF-007 - Alerts to Party users about the report submission process and Article 6 TER

we believe APR-005¹⁸ and APR-006¹⁹ and APR-010²⁰ functions in the CARP and A6 DB document must be included, so that the public can access underlying information used as a basis to prepare the Article 6 TER report.

Ensuring results produced by the Article 6 database are made public is key, and the UK welcomes the detail that results of A6 database consistency checks will be displayed in real time on the CARP web interface. In addition, the UK sees inherent value in APD-002²¹ but would like to better understand the cost impacts of including such functionality. Regarding 'Table 1 indicative list of user types and access needs' in the CARP and A6 DB document, the UK also believes some of the functionalities under CARP tools that are accessible only to authorized users could benefit from also being grouped under the CARP Public interface and be available to Public Users. For example, **the UK would like to see a future decision on the status of submitted reports, status of the TER, and information on whether a submitted report is locked (including the reason for the locking) being public**, to enhance transparency.

On common nomenclatures, harmonisation and standardisation of terminology will be important in ensuring transparency and ease of use. Whilst the system should be able to remain dynamic and up to date, it will be critical that it **provides a level of stability to complement capacity building efforts and foster joint understanding of terminology.** The UK welcomes MNO-004²² being classified as 'M-must', as too frequent changing of nomenclatures could hinder participant and broader stakeholder understanding.

Article 6 database functions

The UK recalls the Article 6 Database "**records and compiles the information submitted by participating Parties pursuant to chapter IV.B–C (Reporting) of the annex to the same decision and supports the review referred to in chapter V (Review) of the annex to decision 2/CMA.3, including the recording of corresponding adjustments and emissions balances and information on ITMOs first transferred, transferred, acquired, held, cancelled, cancelled for overall mitigation in global emissions, if any, and/or used by participating Parties**" as stipulated in paragraph 13 of Annex 1 of [Decision 6/CMA 4](#).

Regarding the recording of unique identifiers for ITMOs contained in the registries, the UK would like to highlight **that the Article 6 database should record the unique identifiers by receiving the unique identifiers via the agreed electronic format.** The unique identifiers are implicitly assigned at the registry level, as the AEF receives information from registries. This is because it is the registry each Party has or has access to that maintains and compiles records, information and data, consistently with the annual information submitted in

¹⁸ APR-005 - Public user to be able to view the results of the consistency checks (if available)

¹⁹ APR-006 - Public user to be able to view the Article 6 TER report for a specific Party and period

²⁰ APR-010 - Public user to be able to view all Party submissions subject to the Article 6 TER for which the Article 6 TER report was prepared, as well as relevant consistency check results

²¹ APD-002 - Public user to be able to search on a web interface for non- confidential data stored in CARP to find information on ITMOs, corresponding adjustments, emissions balances, etc. across Parties, years, sectors and other similar information.

²² MNO-004 – Secretariat user to be able to reject a request submitted by a Party user for creating a new common nomenclature or a new common nomenclature element in CARP, to ensure only the most appropriate common nomenclatures and common nomenclature elements are created in CARP

the AEF. That said, it is worth clarifying that we do not see these as the same as the Article 6 database record IDs. The UK believes one of the functions of the Article 6 database should be to assign **Article 6 database record IDs** and CMA should clarify that Parties are not required to provide this.

The UK welcomes the detail on the Article 6 Database Consistency Check Scope and clarity around when execution is triggered automatically or from a Party user request. **The UK agrees that the Article 6 database should produce results regardless of the available data**, and that it will label the status as 'incomplete' when this is the case. With respect to the CARP, as aforementioned, the **UK believes the consistency check output should be made publicly available via the public interface of the CARP**. The results should be disaggregated and enable Parties and the public alike to understand where inconsistencies have taken place. **How the results of checks involving confidential data are reported and stored should also be elaborated**. The UK believes all consistency check results should be public regardless of whether the check itself involves information deemed confidential, and inconsistent information (especially quantitative) should be labelled as such. This label could influence the section it is stored in under "*3.7.6 Store Report Data in Article 6 Database (business use case)*".

Finally, whilst the Article 6 database can facilitate the publishing of information via the CARP public interface, in general the UK believes further work is needed to build joint understanding regarding the **flows of information between the A6 database and the CARP, how both qualitative and quantitative information will be stored, and the data extraction and visualisation formats planned** for public information.