

Sequencing: Addressing inconsistencies

Article 6 Workshops – Baku
October 3, 2024

Geoff Brouwer
Canada

2 separate processes that assess ‘consistency’

- Terms ‘consistency’ and ‘inconsistency’ used differently across our text
- Also used to refer to 2 different processes assessing Party reporting:

1) **Consistency check procedure** (2/CMA.3, para 33):

- Secretariat checks annual information/AEF for consistency with guidance & across Parties
- Notifies Party of any inconsistencies
- Publishes results on the CARP (and forwards results to TER)

2) **Technical expert review** (2/CMA.3, V.; 6/CMA.4, Annex II):

- TER team reviews Initial Report and Regular Information
- “Considered consistent when information is...”
 - ✓ Complete, transparent, consistent with guidance
 - ✓ Consistent across different reports
 - ✓ Consistent across Parties in the same cooperative approach
- Publishes review reports in the CARP

3 separate mandates & chapters of text

- **VI. Sequencing and timing**

- (17.a) *The sequencing and timing of the submission of the **initial report**, the completion of the Article 6 **technical expert review** of that report and the submission of the AEF*

- **VII. Process of identifying, notifying and correcting inconsistencies**


- (17.f) *The process of identifying, notifying and correcting inconsistencies in data on ITMOs in the Article 6 database, in accordance with decision 2/CMA.3, annex, para. 33, and its dependence on the AEF*

- **VIII. Inconsistencies identified in Art 6 TER**

- (16.a.iii) *The reviews specifying recommended action to be taken when inconsistencies are identified, and provisions on how a Party should respond to those recommendations and the implications of non-responsiveness, if any;*

3 separate mandates & chapters of text

- **VI. Sequencing and timing**

- (17.a) *The sequence of the completion of the initial report, the submission of the report and the*
 **Completion of IR review + implications for AEF submission**

- **VII. Process of identifying, notifying and correcting inconsistencies**

- (1) **Process of identifying, notifying, correcting inconsistencies of AEF data from consistency check procedure**
 

- **VIII. Inconsistencies identified in Art 6 TER**

- (16.a.iii) *Th*
 **Inconsistencies identified in the review + implications of non responsiveness** *ken when should respond siveness, if any;*

VI. Sequencing and timing: Initial Report review and AEF submission

Q1: Should the submission of an AEF have any constraint based on the state of the submission and review of the initial and updated initial reports of the submitting Party?

- Option **1.B** would prevent submission of AEF until Initial Report review is finalized [and consistency achieved]
- Canada does not support this for 2 reason:
 - 1) This contradicts already adopted guidance indicating the Initial Report review and Regular Information report may be reviewed **together**

6/CMA.4, ANNEX II - IV. Timing and sequencing of review

12.[...] Where an initial report or updated initial report for a Party is submitted at the same time as the Party's regular information, the initial report or updated initial report and regular information may be reviewed together in a single Article 6 technical expert review.

- 2) This would undermine transparency of Article 6 by preventing Parties from reporting on their ITMO transactions that are already occurring

VI. Sequencing and timing:

Initial Report review and AEF submission

Q1: Should the submission of an AEF have any constraint based on the state of the submission and review of the initial and updated initial reports of the submitting Party?

- Support clear labelling/tagging of AEF data with the status of the Initial Report review publicly within the CARP
 - Option (para 43) in text for this: “**Initial report review pending**”
*could add+ “**Initial report review complete** [link]”*
- Also support language confirming the AEF cannot be submitted without an Initial Report
 - Option (para 44) in text for this: *submission of the initial report or updated initial report is a requirement for submitting , in AEF, annual information*

VII. Process of identifying, notifying and correcting inconsistencies:

Consistency check procedure

*Q2: How should the different types of inconsistencies be tagged? When should inconsistencies identified during the **consistency check procedure** be made publicly available?*

- Consistency check procedure will catch quantitative inconsistencies between different Parties' AEF data → *important transparency feature*
- Already agreed the results of this check will be made publicly available in the CARP:

2/CMA.3, ANNEX I – Para 33.d

33. The secretariat shall [...] (d) Make non-confidential information in the consistency check publicly available on the centralized accounting and reporting platform

- Support option **1A & 1B** which tag AEF data with:
 - ☒ *Consistent* = data consistent between different Parties' AEF submissions
 - ☒ *Inconsistent* = data inconsistent between different Parties' AEF submissions
 - ☒ *Not available* = corresponding AEF from other Party not submitted yet

VII. Process of identifying, notifying and correcting inconsistencies: Consistency check procedure

*Q2:How should the different types of inconsistencies be tagged? When should inconsistencies identified during the **consistency check procedure** be made publicly available?*

- Do not support option **1.B2** to tag AEF data with the ‘types’ of TER inconsistency
 - Fundamentally a different type of consistency check
 - TER assesses more complex qualitative information for transparency and completeness
 - TER is not a binary pass/fail (‘consistent’ vs ‘inconsistent’) exercise
- Already agreed to publish TER **report** on the CARP
- Support addition language to link reports to data on ITMOs

6/CMA.4, ANNEX II - Para 21.h

21(h) The final version of the Article 6 technical expert review report shall be made publicly available on the centralized accounting and reporting platform

VII. Process of identifying, notifying and correcting inconsistencies:

Consistency check procedure

Q3: Should further actions on ITMOs be prevented depending on the output of consistency checks? If so, which should be the scope of this restriction?

- When AEF data is inconsistent, Parties in the same cooperative approach should work together to reconcile this information
- Support language that encourages Parties to do this, including through resubmissions of their AEF
- Any quantitative inconsistencies that persist will be forwarded to the **TER team** for review and to make recommendations

VII. Inconsistencies identified in the Technical Expert Reviews

Degrees/types of inconsistencies

Q4: Should the Article 6 TERT refer to inconsistencies as different degrees, e.g., significant or persistent inconsistencies?

- Again: do not support tagging of AEF data with inconsistencies from the TER
 - Options: e.g. “formal” vs. “data” vs. “material” vs. “significant” inconsistencies
- If quantitative AEF data remains inconsistent at time of the TER, it will remain tagged by the consistency check as ‘inconsistent’
- If AEF inconsistencies **persist** (*more than one review cycle*) Lead Reviewers to liaise with Art 15 *Paris Agreement Implementation and Compliance Committee*
- Secretariat to also include **persistent** inconsistencies in their annual report

6/CMA.4

13. Requests the secretariat to include any cases of **persistent inconsistencies** and/or non-responsiveness by a participating Party, as contained in the recommendations arising from the Article 6 TER, [...], **in the annual compilation and synthesis** of the results of the Article 6 TER [...] and publish the information on the CARP in a **disaggregated manner** in respect of **each participating Party**;

14. Invites the Committee referred to in Article 15.2, to liaise with the Article 6 lead reviewers [...] as needed, when cases of **significant** and **persistent** inconsistencies are identified and addressed by the Committee [...]

Conclusions

- Two distinct processes that assess ‘consistency’ and serve different functions
 1. **Consistency check procedures:** quantitative focused
 2. **TER process:** qualitative and quantitative, facilitative
- Tagging of AEF data is valuable tool for transparency, but best suited for binary (quantitative) information
 - Status of IR review (complete or pending)
 - AEF inconsistencies across Parties (consistent or inconsistent or unavailable)
- More complex information (TER Reports) will be publicized on the CARP
- Support efforts to define **persistent** inconsistencies
- Secretariat and Lead Reviewers to publicize persistent inconsistencies and work with Art.15 committee to address them