



Department for
Energy Security
& Net Zero



Article 6

**Sequencing – addressing
inconsistencies**



AEF submission, Initial Reports and the Technical Expert Review

Each Participating Party should be submitting the Initial Report **before** the AEF is uploaded and ideally it should be reviewed and all inconsistencies addressed before submission of the AEF.

Why? The TER is important to verify the consistency of the cooperative approach with Article 6.2 guidance on matters such as NDC interactions and participant responsibilities. The A6 consistency check is more related to checking data (annual information and regular information) and is not a substitute for the completeness check of information and the TER.

Way forward - Regardless of the interrelation of the AEF with the TER process, we must see further transparency around the status and results of the TER via both the AEF and the CARP. In discussions we may benefit from making the distinction between the initial report being a prerequisite, and the review of the initial report and publication of the TER report being a prerequisite.



Common ground - transparency and labelling?

Regardless of the interrelation (or not) of the AEF with completion of the TER, the UK wants to see further transparency around the status and results of the TER. This transparency is important to act as a means to incentivise a swift review process, and the minimisation of inconsistencies.

What type of information do we want to see?

- **Status of TER process:** not initiated / initiated / complete / delayed
- **TER week confirmed:** yes/no
- **Results of the consistency check:** pending/available
- **Results of the completeness check:** pending/available
- **Status of TER report:** not initiated / draft report pending / comments on draft report received / final report completed
- **Party response received:** pending/yes/no
- **Status of inconsistencies:** reporting confirmed consistent / inconsistencies pending resolution / clear persistence of inconsistencies / consistent - resolved
- **Final TER report:** hyperlink / not yet available
- **AEF:** hyperlink / not yet available
- **Initial report / Updated initial report:** hyperlink

We remain open to the means for best achieving an approach that would enhance transparency and provide incentives for a timely TER, and for Parties to reduce and resolve any inconsistencies identified by the TER.



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

Persistent and significant inconsistent information, such as inconsistent quantities of ITMOs, unresolved after multiple reviews with no communication, should be flagged/tagged in a specific manner. This tagging should be public, to ensure transparency and facilitate scrutiny from external stakeholders.

Why? This is because significant inconsistencies could have implications on accounting and broader reporting accuracy under Article 13 of the Paris Agreement. Inconsistent data could have wider implications on the assessment of flows of ITMOs and recording of emissions balances, and whether corresponding adjustments have been correctly applied. Elaborating the different processes for dealing with inconsistencies will be important for guaranteeing trust in the integrity of Article 6.2 exchanges, and providing confidence to participants and broader stakeholders alike.



Potential way forward in Baku

In our view, we have what we need in *chapters VI, VII and VIII of the 6.2 draft text* – concepts important to the UK such as the status of the TER being public, tagging of inconsistencies, these being public, the practical guidance on how Parties will correct inconsistencies, degree of inconsistencies (persistent, significant) are captured. No elaboration of starting text is needed in our view.

In Dubai, we felt were very close to mature text on this matter, and we look forward to maintaining momentum here and continuing to work together in Baku.