

SUBMISSION BY SPAIN AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

Madrid, 16 October 2023

Subject: The update of the nationally determined contribution of the European Union and its Member States

This submission consists of three parts: 1) overview, 2) the EU's updated Nationally Determined Contribution (NDC) and 3) the Information provided to facilitate Clarity, Transparency and Understanding (ICTU) of the NDC.

I. OVERVIEW

Summary of procedural developments

1. The European Union and its Member States submitted their intended nationally determined contribution (INDC) on **6 March 2015**, together with an annex containing quantifiable and qualitative information on the INDC, in line with decisions taken at the 20th session of the Conference of the Parties (COP) in Lima.
2. The EU's INDC became its NDC when the EU ratified the Paris Agreement in **October 2016**, with a target of **at least 40% economy-wide reduction of greenhouse gas emissions by 2030, compared to 1990 levels**.
3. In **December 2019**, the European Council (heads of state or government of the EU Member States, the European Council President, and the President of the European Commission) endorsed the objective of achieving **a climate-neutral EU by 2050**, in line with the Paris Agreement. On **5 March 2020**, the Council of the European Union adopted a long-term low greenhouse gas emission development strategy of the EU and its Member States, reflecting this **climate neutrality objective** and submitted it to the UNFCCC Secretariat.

4. On the **11 December 2020** the European Council endorsed a new and more ambitious EU climate target for 2030 applicable to the EU and its 27 Member States of “**a net domestic reduction of at least 55% in greenhouse gas emissions by 2030 compared to 1990**” and submitted it to the UNFCCC Secretariat as **an updated and enhanced NDC on 18 December 2020¹**.
5. On **30 June 2021**, the EU published a Regulation setting out a binding objective of climate neutrality in the European Union by 2050 at the latest, aiming to achieve negative emissions thereafter, and establishing the legal framework for achieving climate neutrality, known as the **European Climate Law²**. The European Climate Law confirmed the domestic reduction of net greenhouse gas emissions by at least 55% by 2030 compared to 1990, setting it as a legally binding target.
6. On **14 July 2021**, the European Commission adopted the “**Fit for 55**” set of proposals to revise and update EU legislation with the aim of ensuring that EU policies are in line with the climate goals set in the European Climate Law.

¹ https://unfccc.int/sites/default/files/NDC/2022-06/EU_NDC_Submission_December%202020.pdf

² Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (‘European Climate Law’)

7. In 2023 the Council of the European Union and the European Parliament formally adopted all the essential elements of the **legislative framework** necessary to implement the “Fit for 55”, and the agreed legislation³ has been published in the official Journal of the European Union.
8. Details on policies relevant to the implementation of the NDC have been reviewed in light of the adoption of the **“Fit for 55” legislative framework** and the respective updates are presented in this Part and Part 3 of this submission (the ICTU).
9. According to the Commission’s estimates, the “Fit for 55” legislative framework, when fully implemented, could enable the EU and its MS to overachieve the EU’s net domestic reduction of greenhouse gas emissions target of at least 55% compared to 1990 by 2030.
10. With this submission, the EU updates information on its NDC in advance of COP28 and requests the UNFCCC Secretariat to consider relevant technical information contained in this submission in the Secretariat’s NDC Synthesis Report.

³ Directive (EU) 2023/959 of the European Parliament and of the Council amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system (ETS Directive); Directive (EU) 2023/958 of the European Parliament and of the Council amending Directive 2003/87/EC as regards aviation’s contribution to the Union’s economy-wide emission reduction target and appropriate implementation of a global market-based measure (ETS Aviation); Regulation (EU) 2023/857 of the European Parliament and of the Council amending Regulation (EU) 2018/842 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement, and Regulation (EU) 2018/1999 (Effort Sharing Regulation); Regulation (EU) 2023/839 of the European Parliament and of the Council amending Regulation (EU) 2018/841 as regards the scope, simplifying the reporting and compliance rules, and setting out the targets of the Member States for 2030, and Regulation (EU) 2018/1999 as regards improvement in monitoring, reporting, tracking of progress and review (LULUCF Regulation).

The main domestic policies adopted in view of the new climate target agreed in December 2020 are summarized in the following paragraphs as well as in Part 3 of this document (ICTU).

11. Emissions reduction targets under the EU legislation are covered by the **EU Emissions Trading System (EU ETS)**, the **Effort Sharing Regulation (ESR)**, and the regulation on land-use related emissions and removals (**LULUCF**). Additional legislation and policies on CO₂ emission performance standards for new passenger cars and for new light commercial vehicles, renewable energy and energy efficiency, part of the “Fit for 55%” framework also contribute towards the achievement of the EU’s climate targets for 2030.
12. The **EU ETS**, which has been operational since 2005, puts a price on carbon by setting a cap on the maximum number of emission allowances for its covered sectors. The EU has reviewed and amended its legislation setting a **new target to reduce emissions from the existing EU ETS sectors and from maritime of 62% by 2030, compared to 2005 levels**.
13. The extension of the **EU ETS to maritime emissions** will cover CO₂, methane and nitrous oxide emissions from ships above 5000 gross tonnage and will apply to **50% of emissions from voyages starting or ending outside the EU**, and all emissions from voyages within the EU and emissions from ships within EU ports.
14. With regard to **commercial aviation**, the EU ETS will continue to apply effective carbon pricing for intra-European flights and departing flights to the United Kingdom and to Switzerland. In addition, legislation is in place to apply the Carbon Offsetting and Reduction Scheme for International Aviation of the International Civil Aviation Organization (CORSIA), as appropriate, to EU-based aircraft operators for flights to and from other third countries participating in CORSIA, and to apply carbon pricing to emissions from flights involving third countries which do not apply CORSIA from the start of 2027.

15. The revision of the EU ETS Directive also applies a separate **carbon pricing framework to fuel combustion in road transport and buildings and additional sectors (ETS2)** and is designed to price emissions from 2027⁴ without free allocation and to contribute to **42% emission reductions by 2030 compared to 2005** in the sectors covered.
16. Under the revised **Effort Sharing Regulation**, the EU legislation sets enhanced individual binding reduction targets for Member States for greenhouse gas emissions not covered by the existing EU ETS, namely domestic transport (except aviation), buildings, agriculture, waste and small industries with an EU-level **greenhouse gas emissions reduction target of 40% by 2030 compared to 2005**.
17. In the **LULUCF** sector, the EU adopted a Union **net greenhouse gas removals target of 310 million tonnes of CO₂ equivalent**, as a sum of the reported greenhouse gas net emissions and removals in the sector in 2030. Moreover, the new legislation now includes all emissions and removals reported for all managed land in the Union.
18. With regard to **new cars and vans**, the EU adopted legislation to reduce **55% of CO₂ emissions for new cars and 50% for new vans from 2030 until 2034, and for 100% CO₂ emissions reductions from 2035 for new cars and vans**.
19. Ambitious **targets for improving energy efficiency and for increasing renewables** in the EU energy mix have been agreed. In line with the European Commission's plan to make Europe independent from Russian fossil fuels well before 2030, (RePowerEU), the EU has agreed to increase ambition on energy savings through an enhanced target to **reduce final energy consumption at EU level by 11.7% in 2030** and a new target for **increasing renewable energy in final energy consumption of at least 42.5% by 2030**, with an additional 2.5% indicative top up that would allow to reach 45%.

⁴ In case of exceptionally high prices of gas and oil in the months prior to the foreseen beginning of the ETS2, this system will begin operating from 2028. However, the ambition in terms of GHG reductions remains unchanged.

Additional elements related to the EU's overall efforts on climate action

20. **Sustainable transport fuels** can play a key role in reducing greenhouse gas emissions. In March and April 2023 respectively, the Council of the European Union and the European Parliament reached an **agreement on the FuelEU maritime and the RefuelEU aviation proposals** to increase the uptake of sustainable fuels by aircraft and ships and reduce their environmental footprint.
21. A regulation on the deployment of **alternative fuels infrastructure** to ensure that the public has access to a sufficient infrastructure network for recharging or refuelling road vehicles or ships with alternative fuels has been adopted by the European Parliament and the Council of the European Union and it will soon enter into force. The proposed regulation will play an important role in speeding up the deployment of this infrastructure so that the adoption of zero- and low-emission vehicles and ships will not be impeded, initiating a virtuous circle, and enabling the transport sector to significantly reduce its carbon footprint.
22. In the context of the European Green Deal, EU leaders endorsed in July 2020 that an overall climate target of **30% would apply to the total amount of expenditure from the EU Budget and additional recovery instruments** with a view to comply with the objective of EU climate neutrality by 2050 and contribute to achieving the Union's new 2030 climate target. They confirmed that as a general principle, all EU expenditure should be consistent with Paris Agreement objectives. With this and other measures such as the EU ETS, and additional financial market policies, e.g. the EU Sustainable Finance Framework, the EU supports the implementation of Article 2.1.(c) to make finance flows consistent with a low greenhouse gas emission and climate resilient development pathway.

23. In order to contribute to the transition towards a climate-neutral economy in a fair way, leaving no one behind the EU established a **Social Climate Fund to support vulnerable households**, micro-enterprises and transport users in coping with the price impacts of the new emissions trading system for the buildings and road transport and fuels for additional sectors. In principle a maximum amount of EUR 65 billion should be made available for the period 2026-2032 in line with the articles set out in its Regulation⁵.
24. The EU ETS revision also strengthens the **EU ETS-funded Modernisation Fund to contribute to the significant investment needs of the 13 lower-income Member States, as of 2024**. It includes support for investments to modernise the energy systems and improve energy efficiency in energy storage, generation and use of renewable sources and modernisation of energy networks, including pipelines, grids and district heating, promoting a **just transition** in carbon dependent regions. The Modernisation Fund is funded from revenues from the auctioning of 2% of the total allowances for 2021-30 under the EU ETS and additional allowances transferred by beneficiary Member States – 5 opted to do so. An additional 2.5% of the total quantity of allowances between 2024 and 2030 will also be auctioned for the Modernisation fund.
25. In addition, the **EU ETS's Innovation Fund** is one of the world's largest funding programmes for the demonstration of innovative low-carbon technologies. The Innovation Fund, funded 100% by the EU ETS, will provide around EUR 38 billion of support from 2020 to 2030 (calculated at EUR 75 / tCO₂), depending on the carbon price, for the commercial demonstration of innovative low-carbon technologies, aiming to bring to the market industrial solutions to decarbonise Europe and support its transition to climate neutrality.

⁵ REGULATION (EU) 2023/955 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 10 May 2023 establishing a Social Climate Fund and amending Regulation (EU) 2021/1060

26. A **carbon border adjustment mechanism (CBAM)** will put a price on the carbon content of imports of a targeted selection of products. The primary objective of CBAM is to prevent carbon leakage and increases in emissions in third countries by ensuring certain imported products bear the same carbon price as EU domestic producers. It will be applied in a non-discriminatory manner consistent with international trade rules, and its application will provide the basis for deeper international cooperation.
27. The EU is committed to promoting a human rights-based and gender-responsive approach to climate action, promoting social justice, fairness and inclusiveness in the global transition towards climate neutrality, full, equal and meaningful participation and engagement of women in climate-related decision-making and fully meeting our human rights obligations when taking action to address climate change.

II. UPDATE OF THE EU AND ITS MEMBER STATES NATIONALLY DETERMINED CONTRIBUTION (NDC)

28. The EU and its Member States, acting jointly, are committed to a legally binding target of a **domestic⁶ reduction of net greenhouse gas emissions by at least 55% compared to 1990 by 2030.**
29. This document replaces⁷ the 17 December 2020 submission of the EU and its Member States contained in the UNFCCC NDC registry and will, as of the date of the receipt of this submission by the Secretariat, be considered the current NDC maintained by the EU and its Member States under Article 4 of the Paris Agreement.

⁶ The term “domestic” means without the use of international credits.

⁷ In line with paragraph 29 of the 17 December submission of the EU and its MS.

III. INFORMATION NECESSARY FOR CLARITY, TRANSPARENCY AND UNDERSTANDING (ICTU) OF THE EU's NDC

30. In 2018, in Katowice, at the first session of the COP serving as the meeting of the Parties to the Paris Agreement (CMA1), Parties agreed guidance on the information necessary for clarity, transparency and understanding (ICTU) as applicable to their NDCs.
31. This Part updates the ICTU as of the date of this submission.

INFORMATION TO FACILITATE CLARITY, TRANSPARENCY AND UNDERSTANDING OF THE UPDATED NATIONALLY DETERMINED CONTRIBUTION OF THE EUROPEAN UNION AND ITS MEMBER STATES FOR THE TIMEFRAME 2021-2030

Information necessary for clarity, transparency and understanding of the EU NDC

<i>Para</i>	<i>Guidance provided by CMA 1</i>	<i>ICTU applicable to the EU's NDC</i>
1	Quantifiable information on the reference point (including, as appropriate, a base year):	
(a)	Reference year(s), base year(s), reference period(s) or other startingpoint(s);	1990
(b)	Quantifiable information on the reference indicators, their values in the reference year(s), base year(s), reference period(s) or other startingpoint(s), and, as applicable, in the target year;	Quantification of the reference indicator will be based on national totals reported in the National Inventory Report by the European Union and may be updated due to methodological improvements to the GHG inventory.
(c)	For strategies, plans and actions referred to in Article 4, paragraph 6, of the Paris Agreement, or policies and measures as components of nationally determined contributions where paragraph 1(b) above is not applicable, Parties to provide other relevant information;	Not applicable
(d)	Target relative to the reference indicator, expressed numerically, for example in percentage or amount of reduction;	Economy-wide net domestic ¹ reduction of at least 55% in greenhouse gas emissions by 2030 compared to 1990.
(e)	Information on sources of data used in quantifying the reference point(s);	Quantification of the reference indicator will be based on data reported in the National Inventory Report by the European Union.
(f)	Information on the circumstances under which the Party may update the values of the reference indicators.	Values may be updated due to methodological improvements to the GHG inventory.
2	Time frames and/or periods for implementation:	
(a)	Time frame and/or period for implementation, including start and end date, consistent with any further relevant decision adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA);	01 January 2021 – 31 December 2030
(b)	Whether it is a single-year or multi-year target, as applicable.	Single year target, 2030

¹ The term “domestic” means without the use of international credits.

3 Scope and coverage:

(a) General description of the target;

The target is an economy-wide legally binding target of a net domestic reduction of greenhouse gas emissions by at least 55% compared to 1990 by 2030, without contribution from international credits.

Geographical scope: EU and its Member States (Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden)²

This section considers the following legislation to deliver the enhanced target: Directive (EU) 2023/959 of the European Parliament and of the Council amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union, Regulation (EU) 2018/842 of the European Parliament and of the Council as amended by Regulation (EU) 2023/857 (ESR Regulation), **Regulation (EU) 2018/841 of the European Parliament and of the Council (LULUCF Regulation) as amended by Regulation (EU) 2023/839 (LULUCF Regulation)**. Additional legislation and mitigation measures, at EU level and in Member States, contribute to the reductions needed to meet this target as covered in the narrative of part I and II of this submission.

² Including EU outermost regions (Guadeloupe, French Guiana, Martinique, Mayotte, Reunion, Saint Martin (France), Canary Islands (Spain), Azores and Madeira (Portugal)).

(b) Sectors, gases, categories, and pools covered by the nationally determined contribution, including, as applicable, consistent with Intergovernmental Panel on Climate Change (IPCC) guidelines;	Further details will be provided in accordance with IPCC guidelines in the Biennial Transparency Reports by the European Union Sectors covered: Energy Aviation: Emissions from civil aviation are included only in respect of CO₂ emissions from flights subject to effective carbon pricing through the EU ETS. These comprise flights within the European Economic Area, departing flights to Switzerland and departing flights to the United Kingdom. Maritime: Waterborne navigation is included in respect of CO₂, methane and nitrous oxide emissions from voyages within the EU. Other energy source categories in accordance with IPCC guidelines Industrial processes and product use Agriculture Waste Land Use, Land Use Change and Forestry (LULUCF) (see Section 5e for further information on this sector). Gases: Carbon Dioxide (CO₂) Methane (CH₄) Nitrous Oxide (N₂O) Hydrofluorocarbons (HFCs) Perfluorocarbons (PFCs) Sulphur hexafluoride ((SF₆) Nitrogen trifluoride (NF₃)
(c) How the Party has taken into consideration paragraph 31(c) and (d) of decision 1/CP.21; (Sources, sinks and if any categories are excluded)	The EU's NDC is economy-wide and therefore complies with this provision.

(d)	Mitigation co-benefits resulting from Parties' adaptation actions and/or economic diversification plans, including description of specific projects, measures and initiatives of Parties' adaptation actions and/or economic diversification plans.	N/A
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4 Planning processes:

(a)	Information on the planning processes that the Party undertook to prepare its nationally determined contribution and, if available, on the Party's implementation plans, including, as appropriate:	The content of the EU NDC has been based on an extensive impact assessment ³ , as well as stakeholder input, collected via public consultation ⁴ .
(i)	Domestic institutional arrangements, public participation and engagement with local communities and indigenous peoples, in a gender-responsive manner;	The EU NDC is prepared in the context of the EU's commitment to gender equality and cross-cutting priorities, as articulated in commitments such as: the commitment to create and maximise synergies between the social, environmental, and economic dimensions of sustainable development ⁵ ; integrating the dimensions of human rights and gender equality by Member States into their national plans, strategies under the EU Energy and Climate Governance Regulation ⁶ , the European Pact on Gender Equality ⁷ ; the EU's support for adoption of the United Nations Declaration on the Rights of Indigenous Peoples ⁸ . The EU aims to achieve gender-balanced participation and encourage the full, equal, effective and meaningful participation and leadership of women and girls at all levels of climate action and decision-making. The EU will also continue to support meaningful engagement of youth and children in climate change decision-making processes, as well as climate education and training, and increase public awareness on climate change. The EU welcomes the recognition by the UN Human Rights

³ Staff Working Document SWD (2020) 176

⁴ <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12265-2030-Climate-Target-Plan/public-consultation>

⁵ Council conclusions of 9 April 2019, Towards an ever more sustainable Union by 2030

⁶ <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12265-2030-Climate-Target-Plan/public-consultation>

⁷ Council conclusions of 7 March 2011 on European Pact for Gender Equality (2011 -2020)

⁸ Council conclusions of 15 May 2017 on Indigenous Peoples

(ii)

Contextual matters, including, inter alia, as appropriate:

- a) National circumstances, such as geography, climate, economy, sustainable development, and poverty eradication
- b) Best practices and experience related to the preparation of the Nationally Determined Contribution
- c) Other contextual aspirations and priorities acknowledged when joining the Paris Agreement

Council and General Assembly that the right to a clean, healthy and sustainable environment is a human right and will actively engage in discussions advancing this right and promote inclusion and non-discrimination. The EU recognises the contribution of environmental human rights defenders, who are facing unprecedented levels of threats and attacks.

All EU legislative acts are subject to a public consultation before adoption by the European Parliament and the Council of the European Union. The governance arrangements are set out in Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action and the Regulation (EU) 2021/1119 on European Climate Law. This includes an enhanced governance system related to integrated planning, reporting and monitoring in climate and energy policy fields, including with respect to climate and energy targets, policies, measures and projections, inventories and provisions for multi-level public participation as well as public consultations to be held by Member States in the preparation of the integrated national energy and climate plans that implement their policy targets up to 2030. These legal acts include review clauses in line with the five-year cycle of increasing ambitious climate action under the Paris Agreement.

The EU additionally is implementing measures to support the implementation of Art. 2.1(c) of the Paris Agreement, these include among others the EU ETS, or the EU Sustainable Finance Framework, including on financial market policy and is continuing to work on further making finance flows consistent with a low greenhouse gas emission and climate resilient development pathway

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- (b) Specific information applicable to Parties, including regional economic integration organizations and their member States, that have reached an agreement to act jointly under Article 4, paragraph 2, of the Paris Agreement, including the Parties that agreed to act jointly and the terms of the agreement, in accordance with Article 4, paragraphs 16–18, of the Paris Agreement

The EU and its Member States hereby notify the UNFCCC Secretariat of the intention to act jointly under Article 4.2 of the Paris Agreement under the legislation set out in section 3(a) above, which describe how the EU and its Member States shall be responsible for achieving this NDC.

The respective emissions reductions are as follows.

- Under Directive (EU) 2023/959 the EU Emissions Trading System: **EU will reduce its emissions from the sectors covered by this legislation by 62% from 2005 levels by 2030.**
- Regulation (EU) 2023/857 sets an EU-level greenhouse gas emission reduction target of 40% by 2030, compared to 2005, for the sectors that it covers. **Each EU Member State will reduce its emissions from 2005 levels by 2030 in accordance with the following percentage: Belgium 47%, Bulgaria 10%, Czechia 26%, Denmark 50%, Germany 50%, Estonia 24%, Ireland 42%, Greece 22.7%, Spain 37.7%, France 47.5%, Croatia 16.7%, Italy 43.7%, Cyprus 32%, Latvia 17%, Lithuania 21%, Luxembourg 50%, Hungary 18.7%, Malta 19%, Netherlands 48%, Austria 48%, Poland 17.7%, Portugal 28.7%, Romania 12.7%, Slovenia 27%, Slovakia 22.7%, Finland 50%, Sweden 50%.**
- Regulation (EU) 2023/839 (which amends Regulation (EU) 218/841) sets a **Union binding target of net removals in the LULUCF sector.** The geographical scope of the target is now the complete area covered by managed land in the Union. Each Member State has a binding national target for 2030 for the increase of net greenhouse gas removals, which **together will deliver the collective EU target of 310 Mt CO₂ net removals.**
- **In addition, each Member State commits to achieving a sum of net greenhouse gas emissions and removals for the period from 2026 to 2029.**

- The target for 2030 for each MS is an increase in net removals compared to data from 2016 to 2018 reported in 2032, as follows: Belgium -320Kt CO₂eq, Bulgaria -1163kt CO₂eq, Czechia -827kt CO₂eq, Denmark -441Kt CO₂eq, Germany -3751Kt CO₂eq, Estonia -434Kt CO₂eq, Ireland -626Kt CO₂eq, Greece -1154Kt CO₂eq, Spain -5309Kt CO₂eq, France -6693Kt CO₂eq, Croatia -593Kt CO₂eq, Italy -3158Kt CO₂eq, Cyprus -63Kt CO₂eq, Latvia -639Kt CO₂eq, Lithuania -661Kt CO₂eq, Luxembourg -27Kt CO₂eq, Hungary -934Kt CO₂eq, Malta -2Kt CO₂eq, Netherlands -435Kt CO₂eq, Austria -879Kt CO₂eq, Poland -3278Kt CO₂eq, Portugal -968Kt CO₂eq, Romania -2380Kt CO₂eq, Slovenia -212Kt CO₂eq, Slovakia -504Kt CO₂eq, Finland -2889Kt CO₂eq, Sweden -3955Kt CO₂eq.

(c) How the Party's preparation of its nationally determined contribution has been informed by the outcomes of the global stocktake, in accordance with Article 4, paragraph 9, of the Paris Agreement;

The EU shall set its climate target in accordance with the European Climate Law. To that end, at the latest within 6 months of the first Global Stocktake, the Commission shall make a legislative proposal, as appropriate, on a Union-wide climate target for 2040 based on a detailed impact assessment, as per article 4.3 of the European Climate Law REGULATION (EU) 2021/1119 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 30 June 2021.

(d)	Each Party with a nationally determined contribution under Article 4 of the Paris Agreement that consists of adaptation action and/or economic diversification plans resulting in mitigation co-benefits consistent with Article 4, paragraph 7, of the Paris Agreement to submit information on:	Not applicable.
(i)	How the economic and social consequences of response measures have been considered in developing the nationally determined contribution;	
(ii)	Specific projects, measures and activities to be implemented to contribute to mitigation co-benefits, including information on adaptation plans that also yield mitigation co-benefits, which may cover, but are not limited to, key sectors, such as energy, resources, water resources, coastal resources, human settlements and urban planning, agriculture and forestry; and economic diversification actions, which may cover, but are not limited to, sectors such as manufacturing and industry, energy and mining, transport and communication, construction, tourism, real estate, agriculture and fisheries	
5	Assumptions and methodological approaches, including those for estimating and accounting for anthropogenic greenhouse gas emissions and, as appropriate, removals:	
(a)	Assumptions and methodological approaches used for accounting for anthropogenic greenhouse gas emissions and removals corresponding to the Party's nationally determined contribution, consistent with decision 1/CP.21, paragraph 31, and accounting guidance adopted by the CMA;	The EU's current approach to accounting is in accordance with methodologies and common metrics assessed by the IPCC (see 5(d), below). At the latest by 31 December 2024, the approach will be in accordance with the accounting guidance for NDCs contained in Annex II of decision 4/CMA.1.
(b)	Assumptions and methodological approaches used for accounting for the implementation of policies and measures or strategies in the nationally determined contribution;	Not applicable. EU NDC is an absolute, economy-wide reduction in greenhouse gas emissions.

(c)	If applicable, information on how the Party will take into account existing methods and guidance under the Convention to account for anthropogenic emissions and removals, in accordance with Article 4, paragraph 14, of the Paris Agreement, as appropriate;	See 5 (d), below.
(d)	IPCC methodologies and metrics used for estimating anthropogenic greenhouse gas emissions and removals;	Methodologies: IPCC Guidelines 2006. Metrics: Global Warming Potential on a 100 timescale in accordance with IPCC's 5 th Assessment Report.
(e)	Sector-, category- or activity-specific assumptions, methodologies and approaches consistent with IPCC guidance, as appropriate, including, as applicable:	The EU's LULUCF policy framework builds on IPCC guidance, TACCC principles and existing accounting rules, updating and improving them for the period from 2021 to 2030. The policy framework, from 2026, applies net reported emissions and removals, contributing to the aim of enhancing the EU's net land sinks in the long-term.
(i)	Approach to addressing emissions and subsequent removals from natural disturbances on managed lands;	Member States may, in the period 2021 to 2025, use a provision for natural disturbances on afforested land and managed forest land as set out in Art 10 and Annex VI of Regulation (EU) 2018/841 (amended by Regulation 2023/839). From 2026 this provision is no longer applied.
(ii)	Approach used to account for emissions and removals from harvested wood products;	The EU uses the Production Approach as defined in IPCC Guidelines; see also Art 9 and Annex V of Regulation (EU) 2018/841 (amended by Regulation 2023/839). The revised regulation 2023/839 provides for the active review of innovative carbon storage products.
(iii)	Approach used to address the effects of age-class structure in forests;	Up to 2025, projected reference levels for Managed Forest Land (Forest Land remaining Forest Land) take into consideration age-class structure of forest so that changes in management practices are accounted; see also Art 8 and Annex IV of Regulation (EU) 2018/841 (amended by Regulation 2023/839). From 2026 onwards, reference levels are no longer applied.

- (f) Other assumptions and methodological approaches used for understanding the nationally determined contribution and, if applicable, estimating corresponding emissions and removals, including:
- (i) How the reference indicators, baseline(s) and/or reference level(s), including, where applicable, sector-, category- or activity-specific reference levels, are constructed, including, for example, key parameters, assumptions, definitions, methodologies, data sources and models used;

The EU's approach has been developed in accordance with IPCC 2006 guidelines for GHG inventories; consistent with decision 18/CMA.1. CMA decision (5/CMA.3) also allows Parties to use the 2019 IPCC refinement on a voluntary basis. Some MS started using the refinement, which is also reflected in the EU inventory. The target is accounted against the net GHG removals (emissions) occurring on the territories of Member States for:

LULUCF Categories: Emissions and removals occurring on reported categories of forest land, cropland, grassland, wetlands, settlements, other land, harvested wood products, other, atmospheric deposition and nitrogen leaching and run-off, including land use change between these categories.

LULUCF Pools: Living biomass; Litter; Deadwood; Soil organic carbon in mineral soils; Soil organic carbon in organic soils ; Harvested wood products

LULUCF Gases: CO₂, CH₄, N₂O

(ii)	For Parties with nationally determined contributions that contain non-greenhouse-gas components, information on assumptions and methodological approaches used in relation to those components, as applicable;	Not applicable. The EU NDC is an absolute, economy-wide greenhouse gas emissions reduction target.
(iii)	For climate forcers included in nationally determined contributions not covered by IPCC guidelines, information on how the climate forcers are estimated;	Not applicable. The EU NDC includes only forcers covered by IPCC guidelines (see Section 3 b).
(iv)	Further technical information, as necessary;	Not applicable.

(g) The intention to use voluntary cooperation under Article 6 of the Paris Agreement, if applicable.	The EU's at least 55% net reduction target by 2030 is to be achieved through domestic measures only, without contribution from international credits.
	Norway, Iceland and Liechtenstein have been participating in the EU ETS since 2008, and an agreement linking the EU and Swiss emissions trading systems entered into force in 2020. The EU is continuing to explore the possibilities to link the EU ETS with other robust emissions trading systems. The EU will account for its cooperation through the EU ETS with these and any other Parties in a manner consistent with the guidance adopted by CMA1 and any further guidance agreed by the CMA.
6 How the Party considers that its nationally determined contribution is fair and ambitious in the light of its national circumstances:	
(a) How the Party considers that its nationally determined contribution is fair and ambitious in the light of its national circumstances;	The EU's NDC is both ambitious and fair as it will set one of the world's largest fossil fuel-dependent and industrialized economies, on a pathway to climate neutrality by 2050, while taking into account fairness and solidarity across Member States with diverse national circumstances.
	The NDC reflects the EU's 2030 target, made binding by the European Climate Law that also commits the EU to be climate neutral by 2050. The 2030 target will be delivered collectively by the EU, in the most cost-effective manner possible, through the "Fit for 55" package of legislation. All EU Member States will participate in this effort in a way that takes account of Member States' different starting points and specific national circumstances and emission reduction potential, including those of island Member States and islands, as well as their efforts made to date.
	The European Climate Law creates a system for monitoring progress and provides a legal basis for taking further action if needed. It provides predictability for investors and other economic actors and ensures that the transition to climate neutrality is irreversible.

The EU has a long track record of delivering on its climate policies. Its total GHG emissions (excluding LULUCF and international aviation) decreased by 1939 million tonnes CO₂ eq. since 1990 (or 34,3%) reaching its lowest level during this period in 2020 (3708 million tonnes CO₂ eq.). The EU has progressively decoupled its gross domestic product (GDP) from its GHG emissions compared to 1990, with an increase in GDP by 54% alongside a decrease in emissions of about 34% over the same period.

In order to ensure that the transition towards a climate-neutral economy happens in a fair way, leaving no one behind the EU established a Social Climate Fund to support vulnerable households, micro-enterprises and transport users in coping with the price impacts of the new emissions trading system for the buildings and road transport and fuels for additional sectors. The Fund should be exceptionally and temporarily directly financed by the revenue of allowances from the ETS.

The EU ETS revision also strengthens the EU ETS-funded Modernisation Fund to contribute to the significant investment needs of the 13 lower-income Member States, as of 2024. It includes support for investments in energy storage, generation and use of renewable sources and modernisation of energy networks, including pipelines, grids and district heating, promoting a just transition in carbon dependent regions.

(b) Fairness considerations, including reflecting on equity;

According to the IPCC 6th Assessment Report, global greenhouse gas emissions need to fall by about 43% below 2019 levels by 2030 to be on track for limiting warming to 1.5°C. The EU's "at least -55%" target is consistent with this level of reduction, building on the substantial emissions reductions achieved by the EU since the base year 1990.

The most ambitious IPCC scenarios (consistent with 1.5°C with no or limited overshoot) are similar to those of the 2018 Special Report on 1.5°C which informed the EU's "at least -55%" target, as well as the EU's 2050

climate neutrality objective. Achieving these objectives will mean that EU decarbonizes faster than the pace needed for the world as whole in these scenarios. For 2050, the EU objective of achieving climate neutrality goes beyond the net zero level for CO₂ (only) needed at global level around that time.

It should also be noted that the EU has already reduced greenhouse emissions to 31% below 1990 levels, while emissions have risen by over 50% worldwide. The EU has substantially exceeded its 2020 targets, even without taking the effects of the COVID-19 pandemic into account. During that period, the EU and its Member States' emissions reductions outpaced those of any other major developed or developing economy.

On a per capita basis, EU emissions are also among the lowest of any major high-income economy and lower than several emerging economies.

The IPCC 6th Assessment Report also confirms that a sustained commitment to climate action, like the EU's, has been effective in the regions where it has been attempted. It also finds that sustained climate policies have led to cost reductions for low emission technologies and multi-year emissions reductions (even when measured on a consumption basis), and it found no evidence of significant emissions leakage from well-managed carbon pricing policies.

(c)	How the Party has addressed Article 4, paragraph 3, of the Paris Agreement;	This NDC represents a progression of ambition compared to its initial NDC for the same timeframe. See 6a
(d)	How the Party has addressed Article 4, paragraph 4, of the Paris Agreement	The EU complies with this provision by having an economy-wide absolute target
(e)	How the Party has addressed Article 4, paragraph 6, of the Paris Agreement.	Not applicable to the EU

7 How the nationally determined contribution contributes towards achieving the objective of the Convention as set out in its Article 2:

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| (a) | How the nationally determined contribution contributes towards achieving the objective of the Convention as set out in its Article 2; | The EU considers its NDC to be in line with the objective of the UNFCCC and long-term goal of the UNFCCC Paris Agreement, as explained in 6a and 6b. |
| (b) | How the nationally determined contribution contributes towards Article 2, paragraph 1(a), and Article 4, paragraph 1, of the Paris Agreement. | |
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