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## **Report on the technical expert review of the first biennial transparency report of the European Union**

### **Addendum**

#### *Summary*

This addendum to the report on the technical expert review of the first biennial transparency report of the European Union, conducted by a technical expert review team in accordance with the modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement, contains the results of the review of the consistency of the information submitted by the Party with those modalities, procedures and guidelines. The review took place from 17 to 21 February 2025 in Brussels.



## Abbreviations and acronyms

2006 IPCC Guidelines	<i>2006 IPCC Guidelines for National Greenhouse Gas Inventories</i>
AD	activity data
BTR	biennial transparency report
CH <sub>4</sub>	methane
CO <sub>2</sub>	carbon dioxide
CRT	common reporting table
CTF	common tabular format
DAC	Development Assistance Committee
EF	emission factor
EIB	European Investment Bank
ETF	enhanced transparency framework under the Paris Agreement
EU	European Union
F-gas	fluorinated gas
GHG	greenhouse gas
HFC	hydrofluorocarbon
IPCC	Intergovernmental Panel on Climate Change
IPPU	industrial processes and product use
JSON	JavaScript Object Notation
LULUCF	land use, land-use change and forestry
MPGs	modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement
N <sub>2</sub> O	nitrous oxide
NA	not applicable
NDC	nationally determined contribution
NE	not estimated
NID	national inventory document
NR	not reported
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
QA/QC	quality assurance/quality control
TERT	technical expert review team
UA	Information not available at the time of reporting

## Areas of improvement<sup>1</sup> identified during the technical expert review of the Party's first biennial transparency report

Tables 1–20 present the results of the review of the consistency with the MPG<sup>s</sup><sup>2</sup> of the information submitted by the EU in its BTR1. All recommendations and encouragements contained in the tables are for the next BTR or national inventory report, unless otherwise specified.

### A. General reporting provisions

Table 1  
Areas of improvement relating to general reporting provisions

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
NA	NA	No areas of improvement identified

### B. Greenhouse gas emissions and removals

Table 2  
Areas of improvement relating to general findings on greenhouse gas emissions and removals

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
2.G.1	Specified in paragraph 19(c) of the MPG <sup>s</sup> Archiving	<p>The EU provided information in the NID on archiving all material received from its member States, including CRTs, JSON files, NIDs, references, short characterizations and links to emails, the issues identified in the quality checks of the national GHG inventories conducted using the European Environment Agency emission review tool and QA/QC results. However, the Party did not report on archiving review results and planned inventory improvements.</p> <p>During the review, the Party clarified that it had implemented recommendations from past reviews under the Convention and its Kyoto Protocol as per GHG lead reviewers' guidance. For the next inventory, the EU is aiming to enhance transparency in the NID and improve automation and consistency between CRTs and JSON files and the NID.</p> <p>The TERT recommends that the Party provide information on archiving review results and planned inventory improvements.</p>
2.G.2	Specified in paragraph 35 of the MPG <sup>s</sup> QA/QC and verification	<p>The EU provided information on the inventory QA/QC plan (set out in paras. 38–50 of a European Commission staff working document prepared in 2013 on the GHG inventory system and QA/QC programme) and its implementation in the NID, indicating that QA activities encompass audits and expert peer reviews. However, the Party did not provide information on conducting a basic expert peer review of its GHG inventory.</p> <p>During the review, the Party explained that the usual peer review was not possible for this submission owing to time constraints and its inability to generate the CRTs, which are key to the QA/QC process, using the relevant ETF reporting tools. The EU indicated that it expects to resume its peer review practice in future when CRTs are available.</p> <p>The TERT encourages the Party to provide information on conducting a basic expert peer review of its GHG inventory.</p>
2.G.3	Specified in paragraph 35 of the MPG <sup>s</sup> QA/QC and verification	<p>Regarding QA/QC procedures, the Party referred in its NID to outdated and superseded components of the EU legal framework, for example European Commission decision 280/2004/EC and a European Commission staff working document prepared in 2013 on the GHG inventory system and QA/QC programme.</p>

<sup>1</sup> As referred to in paras. 7, 8, 146(d) and 162(d) of the MPG<sup>s</sup>, contained in the annex to decision 18/CMA.1.

<sup>2</sup> Decision 18/CMA.1, annex.

ID#	Reporting requirement	Description of area of improvement with recommendation or encouragement
		<p>During the review, the Party acknowledged that those references are outdated and noted that in December 2022 the Party prepared an update of the QA/QC programme, which is under review, to update the references and to fully reflect the requirements of the ETF. The Party also noted that the EU has an extensive, robust QA/QC system because the EU inventory is based on the inventories submitted by its member States; however, it agreed with the TERT that the documentation of its QA/QC should improve.</p>
		<p>The TERT recommends that the Party provide up-to-date information on its QA/QC programme to reflect the terminology used in the MPGs, ensure that references in the NID are to the elements of the legal framework supporting the QA/QC process that are in force and ensure internal referencing in the NID is consistent.</p>
2.G.4	Specified in paragraph 40 of the MPGs	<p>The Party reported in its NID several summary tables of estimated emissions and removals, and information on methods and EFs used, by member State. However, this information was not always complete, for example:</p>
	Methods and EFs	<ul style="list-style-type: none"> <li>(a) Information on methods and EFs was missing for Czechia and Slovenia for category 2.F.1 in table 4.31;</li> <li>(b) Information on methods and EFs was missing for France for categories 2.A.2, 2.A.3, 2.B.1, 2.B.2, 2.C.3, 2.D.1, 2.F.1, 3.A, 3.B and 3.D in tables 4.4, 4.6, 4.9, 4.10, 4.25, 4.27, 4.31, 5.4, 5.16, 5.29 and 5.46;</li> <li>(c) Information on EFs was missing for Cyprus, France and Slovakia for category 5.A.1 in table 6.4;</li> <li>(d) Information on emissions was missing for France for category 4(III) in tables 6.24 and 6.25a.</li> </ul>
		<p>During the review, the Party clarified that the omissions reflect the lack of information reported by its member States for those categories due to issues with the ETF reporting tools.</p>
		<p>The TERT recommends that the Party provide complete information for all member States on methods and EFs underlying emission and removal estimates for EU key categories, to the extent possible.</p>
2.G.5	Specified in paragraph 43 of the MPGs	<p>The EU provided information in the NID on recalculations compared with its 2023 inventory submission for the starting year and all subsequent years of the inventory time series at both the EU and the member State level. The</p>
	Recalculations	<p>justifications for these recalculations, along with relevant changes in emission estimates, are presented at the category level for the base year and the latest recalculated inventory year. However, the Party did not explain the impact of these recalculations on the emission trends (e.g. at the sectoral level to clarify the impacts presented in table 8.1 of the NID).</p>
		<p>During the review, the Party explained that the NID highlights major recalculations (i.e. resulting in changes to estimates exceeding <math>\pm 500</math> kt CO<sub>2</sub> eq) and their impact on emission trends in the IPPU and LULUCF sectors. It stated that in future it will clarify that values in table 10.1 of its NID representing changes of <math>\pm 500</math> kt CO<sub>2</sub> eq or more are explained in the NID, while smaller changes (<math>\pm 500</math> kt CO<sub>2</sub> eq or less) are detailed in member States' NIDs.</p>
		<p>The TERT recommends that the Party provide an explanation of the impact of relevant changes in recalculations on the emission trends for categories for which recalculations have been performed for the inventory time series.</p>
2.G.6	Specified in paragraph 40 of the MPGs	<p>The Party reported in its NID summary information on non-key categories in the waste sector, including aggregated estimates of GHG emissions in CO<sub>2</sub> eq. However, information for category 5.C incineration and open burning of waste, such as on the methodologies, EFs and AD used, was not presented.</p>
	Methods, AD and EFs	<p>During the review, the Party explained that methodological information for category 5.C was not provided because it is not a key category in the EU inventory, though emission estimates are detailed in the NID for transparency. The TERT noted that methodological information is included for glass production, despite it also not being a key category. Acknowledging this inconsistency, the EU recognized the need for a uniform approach across all sectors.</p>

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
		The TERT recommends that the Party provide information on the methodologies, EFs and AD used for all key categories of its inventory, to the extent possible.

Table 3

**Areas of improvement of the reporting on greenhouse gas emissions and removals – energy sector**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
3.E.1	Specified in paragraph 39 of the MPG <sub>s</sub> 1. General (energy sector)	<p>The EU transparently reported at member State level the methods used for estimating emissions for every category in the energy sector. However, the TERT could not identify information on the rationale for the choice of methods.</p> <p>During the review, the Party confirmed that the rationale for the choice of methods was not provided in the NID. The Party noted that a similar requirement to report on the rationale for the choice of methods was already included in decision 24/CP.19 and this was understood as being consistent with the 2006 IPCC Guidelines and the choice of tiers according to the relevant decision trees. The EU highlighted that member States are responsible for selecting methods for estimating emissions, but that it plans to address this issue in general terms within the scope of the EU inventory.</p> <p>The TERT recommends that the Party report the rationale for the choice of methods used by member States for estimating emissions for EU key categories.</p>
3.E.2	Specified in paragraph 47 of the MPG <sub>s</sub> 1.A.3.b Road transportation	<p>The NID does not contain information on road transport at the level of disaggregation required by the 2006 IPCC Guidelines.</p> <p>During the review, the Party provided the emission estimates at the most disaggregated level.</p> <p>The TERT recommends that the Party report emissions at the most disaggregated level, in accordance with the 2006 IPCC Guidelines.</p>
3.E.3	Specified in paragraph 54 of the MPG <sub>s</sub> Feedstocks, reductants and other non-energy use of fuels	<p>In its NID the Party described its general approach to allocating feedstocks and non-energy use of fuels, acknowledging that the approach is not fully harmonized across EU member States and noting that the reporting in CRT 1.A(d) is not fully coherent.</p> <p>During the review, the Party confirmed that it has made progress in harmonizing the data, as outlined in the NID. The reporting by member States in CRT 1.A(d) is addressed as part of initial checks conducted by the EU, during which it asks member States to improve the transparency of their reporting in CRT 1.A(d), where relevant, in order to enhance the transparency of EU reporting.</p> <p>The TERT encourages the Party to ensure that its reporting on feedstocks and non-energy use of fuels is in accordance with the IPCC guidelines referred to in paragraph 20 of the MPG<sub>s</sub> and to provide information in the NID on the approaches used by its member States.</p>
3.E.4	Specified in paragraph 47 of the MPG <sub>s</sub> 1.B.1.a Coal mining and handling	<p>The Party reported in its NID aggregated estimates of emissions for category 1.B.1.a coal mining and handling. However, the TERT could not identify information in the NID at the level of disaggregation required by the 2006 IPCC Guidelines.</p> <p>During the review, the Party provided the emission estimates at the most disaggregated level.</p> <p>The TERT recommends that the Party report emissions at the most disaggregated level, in accordance with the 2006 IPCC Guidelines.</p>
3.E.5	Specified in paragraph 47 of the MPG <sub>s</sub> 1.B.2.c Venting and flaring	<p>The Party reported in its NID aggregated estimates of emissions for category 1.B.2.c venting and flaring. However, the TERT noted that information was not provided at the level of disaggregation as required by the 2006 IPCC Guidelines.</p> <p>During the review, the Party provided the emission estimates at the most disaggregated level.</p> <p>The TERT recommends that the Party report emissions at the most disaggregated level, in accordance with the 2006 IPCC Guidelines.</p>

Table 4

**Areas of improvement of the reporting on greenhouse gas emissions and removals – industrial processes and product use sector**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
4.I.1	Specified in paragraphs 28 and 43 of the MPGs  2.F Product uses as substitutes for ozone-depleting substances – HFCs	<p>The Party reported in its NID summary information on recalculations compared with its 2023 inventory submission for the IPPU sector, providing changes to emission estimates for 1990 and 2021 as well as explanations. However, the TERT noted that, because F-gas emissions from product uses as substitutes for ozone-depleting substances (category 2.F) occur from 1995, it is not clear if the recalculations were performed in accordance with the MPGs to ensure time-series consistency.</p> <p>During the review, the Party agreed with the TERT that because the base year for F-gases is not 1990, comparing recalculations with a year for which emissions are not reported by all member States is not meaningful, and that a comparison with 1995 as the starting year is more relevant.</p> <p>The TERT recommends that the Party provide information on the relevant recalculations performed for category 2.F product uses as substitutes for ozone-depleting substances for the base year (1995) and the remaining years of the time series.</p>

Table 5

**Areas of improvement of the reporting on greenhouse gas emissions and removals – agriculture sector**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
5.A.1	Specified in paragraph 47 of the MPGs  3. General (agriculture)	<p>The Party did not report CO<sub>2</sub> emissions for category 3.G.2 dolomite, category 3.H urea or category 3.I other carbon-containing fertilizers in the table in section 5.3.6 of the NID (pp.432–433), which summarizes GHG emissions for non-key categories of the agriculture sector.</p> <p>During the review, the Party explained that it encountered issues during the data compilation process for the table and confirmed that it plans to resolve this issue for the next NID.</p> <p>The TERT recommends that the Party report CO<sub>2</sub> emissions for category 3.G.2 dolomite, category 3.H urea and category 3.I other carbon-containing fertilizers.</p>
5.A.2	Specified in paragraph 47 of the MPGs  3.B.1 Cattle	<p>The Party reported in its NID (table 5.17, p.395) CH<sub>4</sub> emissions from cattle manure management for 27 member States for 2022. However, the estimate of emissions does not equal the sum of CH<sub>4</sub> emissions from dairy cattle manure management (NID figure 5.23) and non-dairy cattle manure management (NID figure 5.24), multiplied by 28 (global warming potential for CH<sub>4</sub>). Similarly, the estimate of N<sub>2</sub>O emissions from cattle manure management for 27 member States for 2022 in table 5.30 of the NID (p.405) does not equal the sum of N<sub>2</sub>O emissions from dairy cattle manure management (NID figure 5.40) and non-dairy cattle manure management (NID figure 5.41), multiplied by 265 (global warming potential for N<sub>2</sub>O).</p> <p>During the review, the Party explained that the reason for the inconsistency is that CH<sub>4</sub> and N<sub>2</sub>O emissions could not be included for dairy and non-dairy cattle for Poland as the Party encountered issues in using the ETF reporting tools.</p> <p>The TERT recommends that the Party clearly indicate which member States are included in the CH<sub>4</sub> and N<sub>2</sub>O emission estimates for dairy cattle and non-dairy cattle manure management.</p>
5.A.3	Specified in paragraphs 40 and 47 of the MPGs  3.G Liming	<p>The Party reported in its NID that category 3.G.1 limestone application is a key category. However, mandatory information on estimation methods used, EFs and AD, and emissions and trends was not provided.</p> <p>During the review, the Party provided information on methods and EFs used, and emissions of and trends in CO<sub>2</sub> emissions from limestone application, noting that it will report the information in the NID in future if it remains a key category for the EU.</p>

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
5.A.4	Specified in paragraph 40 of the MPGs	The TERT recommends that the Party report information for category 3.G.1 on methods, EFs and AD used for each member State, and on emissions of and trends in CO <sub>2</sub> emissions from limestone application across the time series.
	3.J Other	<p>The Party did not report AD for nitrogen from crop residues or from urine and dung deposited by grazing animals.</p> <p>During the review, the Party explained that the unit used for the AD was updated in the CRTs (from kg nitrogen to t nitrogen). Some member States did not update the reporting unit, which disrupted the compilation and analysis of the data at the EU level. Thus, the associated AD were not included in the NID as they could not be analysed.</p> <p>The TERT recommends that the Party report AD for nitrogen from crop residues and from urine and dung of grazing animals.</p>

**Table 6**  
**Areas of improvement of the reporting on greenhouse gas emissions and removals – land use, land-use change and forestry sector**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
6.L.1	Specified in paragraph 25 of the MPGs	<p>The Party reported in its NID various LULUCF categories as key categories, including 4.A.1 forest land remaining forest land (CO<sub>2</sub>), 4.A.2 land converted to forest land (CO<sub>2</sub>) and 4.B.1 cropland remaining cropland (CO<sub>2</sub>). However, the Party did not report which carbon pools – and in the case of land conversion categories which subcategories – are significant in accordance with the MPGs and the 2006 IPCC Guidelines (vol. 1, chap. 4, table 4.1).</p> <p>During the review, the Party explained that such an assessment had not been conducted as it does not consider it relevant at the EU level for prioritizing methodological improvements, since member States, not the EU, are responsible for the choice of methods.</p> <p>The TERT recommends that the Party identify LULUCF key categories by relevant carbon pool and subcategory in accordance with the 2006 IPCC Guidelines.</p>
6.L.2	Specified in paragraph 39 of the MPGs	<p>The Party reported in annex III to its NID descriptions of the estimation methods applied by each member State for the EU key categories. However, the information in annex III is not complete for LULUCF categories, and the information on the methods applied for estimating emissions from LULUCF is not transparent (e.g. the source of the information and the reasons for omissions), which is mandatory in accordance with the MPGs.</p> <p>During the review, the Party confirmed that information on estimation methods for LULUCF categories is missing from annex III, and that no information was reported on the share of higher-tier methods applied for LULUCF categories, in contrast to what was provided in the NID for other sectors. The Party agreed with the TERT that the transparency of its reporting would improve if it provided the disaggregation of methods used by carbon pool and subcategory and that it could estimate the proportion of emissions and removals estimated using higher-tier methodologies. The EU noted that the requirement to report on the rationale for the choice of methods is set out in decision 24/CP.19, and this was understood to relate to consistency with the 2006 IPCC Guidelines and the choice of tiers according to the relevant decision trees. The EU highlighted that member States are responsible for the implementation of methods, but that it plans to address this issue in general terms within the scope of the EU inventory.</p> <p>The TERT recommends that the Party provide information on the tier of the methods used for all EU-level key categories for the LULUCF sector and provide justification for applying a tier 1 method for a key category in accordance with paragraphs 39 and 23 respectively of the MPGs. In addition, the TERT notes that the reporting could be improved by disaggregating LULUCF key categories to identify which carbon pools and subcategories are significant (see ID# 6.L.1 above) and by providing the proportion of emissions and removals from LULUCF estimated using higher-tier methods.</p>

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
6.L.3	Specified in paragraph 44 of the MPG 4. General (LULUCF)	<p>The Party reported in its NID LULUCF uncertainty estimates by category and gas. The TERT noted large increases in the level and trend LULUCF uncertainty estimates compared with those in the 2023 national inventory report, from 39.9 to 52.7 per cent and from 17.7 to 29.4 per cent respectively. The TERT noted that no explanation for these increases was provided in the NID.</p> <p>During the review, the Party explained that a large part of the increase was due to a change in Sweden's uncertainty estimates. Sweden did not report uncertainty estimates for LULUCF in 2024, and therefore the gaps in uncertainties were filled using the highest average uncertainty for LULUCF among member States.</p> <p>The TERT recommends that the Party provide information on the methodology used for the uncertainty analysis, including any gap filling, in the NID, noting that explaining any recalculations of uncertainty estimates could improve transparency in future NIDs.</p>

Table 7

**Areas of improvement of the reporting on greenhouse gas emissions and removals – waste sector**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
NA	NA	No areas of improvement identified

**C. Information necessary to track progress in implementing and achieving the nationally determined contribution under Article 4 of the Paris Agreement**

Table 8

**Areas of improvement of the reporting on national circumstances and institutional arrangements**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
NA	NA	No areas of improvement identified

Table 9

**Areas of improvement of the description of the nationally determined contribution under Article 4 of the Paris Agreement, including updates**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
NA	NA	No areas of improvement identified

Table 10

**Areas of improvement of the reporting of the information necessary to track progress in implementing and achieving the nationally determined contribution under Article 4 of the Paris Agreement**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
NA	NA	No areas of improvement identified

Table 11

**Areas of improvement of the reporting on mitigation policies and measures, actions and plans, including those with mitigation co-benefits resulting from adaptation actions and economic diversification plans, related to implementing and achieving the nationally determined contribution under Article 4 of the Paris Agreement**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
11.1	Specified in paragraph 80 of the MPG <sub>s</sub>	<p>In its BTR1 (section 2.4), the EU provided a narrative description of the policies, actions and measures supporting the implementation and achievement of its NDC. The TERT noted:</p> <ul style="list-style-type: none"> <li>(a) While the measures cover all sectors, it is not clear which ones have the most significant impact on GHG emissions or removals;</li> <li>(b) Some inconsistencies were identified between the measures reported in narrative format and those presented in tabular format (CTF table 5).</li> </ul> <p>During the review, the Party clarified that:</p> <ul style="list-style-type: none"> <li>(a) Section 2.4 covers not only the policies and actions with the greatest impact on emissions or removals or those affecting key categories but also additional measures to offer a more comprehensive understanding of its mitigation efforts. The Party explained that in the BTR1 it aimed to provide a broad, inclusive overview of its policies and measures, going beyond the requirements of the MPG<sub>s</sub>. Consequently, its BTR1 does not explicitly specify which measures have the most significant impact;</li> <li>(b) Some errors were present in CTF table 5. The Party confirmed that these issues will be addressed to ensure consistency in reporting of implementation years and names of measures.</li> </ul> <p>The TERT recommends that the Party:</p> <ul style="list-style-type: none"> <li>(a) Identify the policies and measures among those it reports that have the most significant impact on GHG emissions or removals and that affect key categories in the national GHG inventory;</li> <li>(b) Report consistent information on actions, policies and measures in narrative and tabular formats.</li> </ul>
11.2	Specified in paragraph 83 of the MPG <sub>s</sub>	<p>Details on the costs and non-GHG benefits of mitigation actions and the interactions between mitigation actions were not included as part of the information reported by the EU in both narrative and tabular format.</p> <p>During the review, the Party clarified that it has an integrated framework of policies coordinated at the regional level. As a result, it is not possible to estimate specific costs for each measure, as most incurred costs are administrative, related to the development and monitoring of policies and legislative measures, making it difficult to determine precise costs. Additionally, the Party explained that the quantification of impacts, including costs and benefits, is a key component of its 'better regulation' framework. The European Commission only assesses the expected impacts, including costs and savings, of its own legislative proposals. However, amendments introduced during negotiations with the European Parliament and the Council can significantly modify the implications of EU legislation for individuals and businesses. Furthermore, the implementation of EU legislation by member States can also influence the benefits and costs associated with specific sectors. Information related to non-GHG mitigation benefits and policy interactions is included in the assessment reports.</p> <p>The TERT encourages the Party to provide details on the costs and non-GHG benefits of and the interactions between mitigation actions to enhance transparency and understanding.</p>
11.3	Specified in paragraph 85 of the MPG <sub>s</sub>	<p>The EU provided estimates of expected emission reductions for only 7 of the 54 measures included in CTF table 5.</p> <p>During the review, the Party explained that for many of the measures reported at the EU level it does not have specific emission reduction estimates. This is because the implementation of these measures can have interrelated effects, making it difficult to provide unique estimates for individual policies. Furthermore, many of these measures are regulatory or legislative in nature, and their implementation, leading to direct emission reductions, falls outside the scope of the reporting.</p>

<p>The TERT recommends that the Party, to the extent possible, include estimates of both expected and achieved emission reductions for its actions, policies and measures in the tabular format referred to in paragraph 82 of the MPG, ensuring consistency between the narrative and tabular descriptions. Additionally, the TERT notes that the transparency of the reporting could be enhanced by reporting “NE” in CTF table 5 for the policies for which emission reduction estimates are not available, accompanied by an explanation of why they are not available.</p>		
11.4	Specified in paragraph 86 of the MPG	<p>For some of the policies for which estimated emission reductions are provided, the methodologies and assumptions used were not described in the BTR1, CTF table 5 or any annex. In some cases, there were references to the impact assessment reports, however, the locations of methodologies in those reports were not identified.</p> <p>During the review, the EU explained that, in line with its ‘better regulation’ principles, impact assessments are conducted for all legislative proposals and initiatives. These assessments play a key role in the European Commission’s better regulation agenda, which aims to enhance transparency in policymaking and ensure evidence-based decision-making. To maintain the conciseness of the BTR1, the methodologies and assumptions were not reproduced, but references to the relevant impact assessment reports were included. Additionally, the EU clarified that projections are developed using state-of-the-art computational models for energy and GHG system analysis. These models, which are based on microeconomic principles, solve a price-driven market equilibrium and integrate technical and economic representations across sectors. The modelling suite, continuously refined through collaboration with research consortia, includes well-established models. The European Commission’s Modelling Inventory and Knowledge Management System provides detailed model descriptions and links to peer-reviewed publications where these models have been applied.</p> <p>The TERT recommends that the Party include a general description of the methodologies used for estimating emission reductions and explicitly state where in the impact assessment reports the detailed description of the methodologies and assumptions can be found if they are not reported in the BTR.</p>
<p><b>Table 12</b>  <b>Areas of improvement of the summary of greenhouse gas emissions and removals</b></p>		

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
NA	NA	No issues identified

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
13.1	Specified in paragraph 96(d) of the MPG	<p>The Party provided a figure showing the results of the sensitivity analyses conducted by several member States under the EU regulation on the governance of the Energy Union and climate action in the BTR1. However, the TERT could not identify information on a sensitivity analysis of the EU-wide projections.</p> <p>During the review, the Party clarified that the variation of parameters and methods according to which the sensitivity analyses are conducted is up to each member State; for information about the specific methods for the individual sensitivity analyses of each member State, its BTR is referred to. It also explained that the methodology at EU level included (1) collecting the ‘with measures’ data from each member State on total GHG emissions without LULUCF and the data on total GHG emissions without LULUCF for each sensitivity analysis available and (2) calculating the difference between the two for each sensitivity analysis to show the percentage difference in emissions that is due to the variation of (a) parameter(s) in a given sensitivity analysis.</p> <p>The TERT encourages the Party to provide more detailed information on its sensitivity analysis (including definitions of any member State sensitivity</p>

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
		analyses, if provided) as well as a description of the implications of the sensitivity analysis for the EU-wide projections.

Table 14

**Areas of improvement of other information relevant to tracking progress in implementing and achieving the nationally determined contribution under Article 4 of the Paris Agreement**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
NA	NA	No areas of improvement identified

**D. Financial, technology development and transfer, and capacity-building support provided under Articles 9–11 of the Paris Agreement**

Table 15

**Areas of improvement of the reporting on national circumstances and institutional arrangements**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
15.1	Specified in paragraph 119(a) of the MPG <sup>s</sup>	<p>The EU provided a description of the systems and processes used to identify, track and report on support provided and mobilized through public interventions. The EU stated in the BTR1 that such systems and processes are based on a project-based monitoring and reporting system, without providing detailed explanation of how data are collected, at which level, how data flows between institutions, and the level of granularity of the data collected.</p> <p>During the review, the EU clarified that the European Commission implements its OECD DAC reporting using a combination of a corporate accounting system and a reporting system for collecting project metadata for external relations activities. Moreover, the EU clarified that data are collected and reported at commitment and payment level in compliance with OECD DAC, including the four Rio markers, which enables very granular reporting, and that a specific report is prepared for private sector finance mobilized.</p> <p>The TERT recommends that the Party provide a transparent description of the systems and processes used to identify, track and report on support provided and mobilized through public interventions, which may include how data are collected, at which level, how data flows between institutions, and the level of granularity of the data collected.</p>

Table 16

**Areas of improvement of the reporting on underlying assumptions, definitions and methodologies relating to financial, technology development and transfer, and capacity-building support provided under Articles 9–11 of the Paris Agreement**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
16.1	Specified in paragraph 121(c), (g) and (p) of the MPG <sup>s</sup>	<p>The TERT noted that in table 5.2 of the BTR1:</p> <p>(a) The EU indicated the status of EIB climate finance for 2022 as “provided”, which is not consistent with the terminology options provided in the MPG<sup>s</sup>;</p> <p>(b) The Party stated that the European Commission categorizes the funding source of its climate finance as ODA, while the EIB categorizes its funding sources as ODA, other official flows and other. However, it was not clear to the TERT how other official flows are determined to be concessional or not;</p> <p>(c) It is not clear how the Party seeks to ensure that the support provided and mobilized through public interventions, which addresses the needs and priorities of developing countries, is linked to the implementation of the Paris Agreement.</p> <p>During the review, the Party clarified that:</p> <p>(a) The term “provided” is used interchangeably with “disbursed”;</p> <p>(b) Almost all funding provided by the European Commission is in the form of grants that qualify as ODA as defined by OECD, and flows provided by EIB</p>

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
		<p>are mostly provided in the form of loans with some equity investments and guarantees. These flows are either ODA or other official flows and are reported in grant-equivalent values when required by OECD DAC rules;</p> <p>(c) The Paris Alignment Framework adopted by EIB outlines the eligibility criteria for projects to be funded. Main activities that may be eligible for EIB Group support are distinguished from those not eligible. However, how such a linkage is ensured for the support provided by the European Commission was not clear.</p> <p>The TERT recommends that the Party:</p> <p>(a) Align the terminology used for the status of climate finance with that in paragraph 121(c) of the MPGs;</p> <p>(b) Provide more transparent information on how the finance is determined to be concessional, for example by defining specific thresholds for the grant-equivalent values of the loan;</p> <p>(c) Provide transparent information on the linkage between support provided and mobilized through public interventions, which addresses the needs and priorities of developing countries, and the implementation of the Paris Agreement, especially for support provided by the European Commission. For example, eligibility criteria that align with implementation of the Paris Agreement or other methods may be used to select projects funded by the European Commission.</p>

Table 17

**Areas of improvement of the information on financial support provided under Article 9 of the Paris Agreement – bilateral, regional and other channels**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
NA	NA	No areas of improvement identified

Table 18

**Areas of improvement of the information on financial support provided under Article 9 of the Paris Agreement – multilateral channels**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
18.1	Specified in paragraph 124(c) of the MPGs	<p>In CTF table III.2, the Party reported “NR” for the grant-equivalent values for the support provided.</p> <p>During the review, the Party clarified that it decided not to report information on grant equivalency in its BTR1, as this information is reported on a voluntary basis.</p> <p>The TERT encourages the Party to provide grant-equivalent values for support provided through multilateral channels.</p>
18.2	Specified in paragraph 124(e), (g), (i) and (j) of the MPGs	<p>The TERT noted that:</p> <p>(a) Under “inflows” in CTF table III.2, the Party reported “NA” for all entries and the reason for this was not clear to the TERT;</p> <p>(b) In CTF table III.2 and the BTR1, the EU indicated the status of funds for 2022 as “provided”, which is not consistent with the terminology options provided in the MPGs;</p> <p>(c) Under sources of funding in CTF table III.2, the Party reported “NA” for some entries, which was not clear to the TERT;</p> <p>(d) Under financial instrument in CTF table III.2, the category “loans” is provided without specifying if they are commercial or concessional. The BTR1 explains that it is not possible to identify the type of loan because the interest is only specified at first disbursement.</p> <p>During the review, the Party clarified that:</p> <p>(a) Multilateral funding from the EU is provided through EIB and there were no inflows from the European Commission budget to EIB in the reporting period.</p>

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
		<p>Hence “NA” was reported in the inflow column. Moreover, the Party clarified that the total subscribed capital of EIB amounts to approximately EUR 250 billion and this is capital provided by member States to EIB, which uses this capital to raise resources from international capital markets, mainly through issuing bonds. There were no inflows from the European Commission to EIB to report in the BTR1;</p> <p>(b) The term “provided” is used interchangeably with “disbursed”;</p> <p>(c) In the cases where “NA” was reported, information was not available on whether the funding source of the respective project is ODA or other official flows;</p> <p>(d) Disaggregated data on the type of loan are not available but the Party will endeavour to improve such data in future reports.</p> <p>The TERT recommends that the Party:</p> <p>(a) Provide information on inflows or explain why reporting such information is not applicable;</p> <p>(b) Align the terminology used for the status of climate finance with that in paragraph 124(g) of the MPGs;</p> <p>(c) Use the correct notation key (“UA”) to report when information is not available;</p> <p>(d) Specify the type of loan under financial instrument, noting that a concessional loan is a different instrument than a non-concessional loan.</p>

Table 19

**Areas of improvement of the information on technology development and transfer provided under Article 10 of the Paris Agreement**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
NA	NA	No areas of improvement identified

Table 20

**Areas of improvement of the information on capacity-building support provided under Article 11 of the Paris Agreement**

<i>ID#</i>	<i>Reporting requirement</i>	<i>Description of area of improvement with recommendation or encouragement</i>
NA	NA	No areas of improvement identified

## Annex

### Documents and information used during the review

#### A. Reference documents

BTR1 CTF tables of the EU. Available at <https://unfccc.int/first-biennial-transparency-reports>.

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#### B. Additional information provided by the Party

Responses to questions during the review were received from Roxanne Lake (European Commission), including additional material. The following references were provided by the EU and may not conform to UNFCCC editorial style as some have been reproduced as received:

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European Environment Agency. 2024a. Trends and projections in Europe 2024. Available at <https://www.eea.europa.eu/en/analysis/publications/trends-and-projections-in-europe-2024>.

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European Commission. 2023. Impact Assessment Part 1 Accompanying the Proposal for a Regulation Amending Regulation (EU) 2019/1242 as Regards Strengthening the CO<sub>2</sub>

Emission Performance Standards for New Heavy-Duty Vehicles, SWD/2023/88 final.

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European Commission. 2013. Elements of the Union greenhouse gas inventory system and the Quality Assurance and Control (QA/QC) programme. Available at: [https://climate.ec.europa.eu/document/download/0e61356d-64f2-4c36-b5e0-51d3ede269e1\\_en?filename=swd\\_2013\\_308\\_en.pdf](https://climate.ec.europa.eu/document/download/0e61356d-64f2-4c36-b5e0-51d3ede269e1_en?filename=swd_2013_308_en.pdf).

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