



Revision of Iceland's 2030 Nationally Determined Contribution

Communicated to the UNFCCC on September 12, 2025.

Grammatical corrections made on September 25, 2025

The revised NDC target of reducing emissions by at least 41 per cent in 2030 compared to 2005 represents a revision to the first update to Iceland's NDC submitted in 2021. The reason for the adjustment is to clarify Iceland's quantified target within the framework of Iceland, Norway and EU's cooperation on emission reductions until 2030.

While the revision does not reflect a change in ambition for this NDC since its initial submission in 2021, the revised NDC better promotes transparency, accuracy, completeness, comparability, and consistency in accordance with article 4.13 of the Paris Agreement.

Iceland submitted an updated Nationally Determined Contribution (2nd NDC) under the Paris Agreement in February 2021 where it is stated that Iceland's target of 55% reduction in 2030 (compared to 1990) is to be reached by acting jointly with the European Union and its Member state. This target was set with reference to Decision of the EEA Joint Committee No 269/2019, from October 2019, on climate cooperation between Iceland, Norway and the EU. The agreement covers the period 2021-2030. At the time of signing the Decision in 2019, the overall target was -40%, corresponding to the INDC at the time.

Based on decision of the EEA Joint Committee No 269/2019, Iceland takes part in three key climate mitigation legislative frameworks: the European Emissions Trading System (EU ETS), which inter alia includes emissions from the heavy industry and aviation sectors in Iceland; Effort Sharing Regulation, which sets binding targets for non-ETS emissions for individual countries (EU Member states, Iceland and Norway); and LULUCF, which covers emissions and carbon removals from the Land Use, Land Use Change and Forestry.

With this arrangement, it was understood that Iceland was contributing by acting jointly towards the target, comparable in effort and governed by the same set of rules as set for the Member States of the European Union. Specifics of the arrangements were still to be finalized in 2019.

Since 2024, Iceland has sought to clarify how its climate target put forward in its NDC is in relation to the cooperation between Iceland and the EU. With this revised NDC, Iceland aims to explicitly define quantified economy-wide targets for 2030 and clarify that the cooperation to reach them does however not involve acting jointly implementation according to article 4.16 of the Paris Agreement.



Iceland's Nationally Determined Contribution, 2030

Iceland is committed to a target of 41 per cent net reduction of greenhouse gas emissions by 2030 compared to 2005, in the sectors covered by the scope of the EU's Effort Sharing Regulation (ESR), including emissions from road transport, energy production, fisheries, product use, agriculture and waste management. Iceland cooperates with the European Union and Norway on this target, within the framework of their climate cooperation agreement. The other sectors are regulated by the LULUCF regulation and the EU Emissions Trading System (EU-ETS) directive, thus Iceland's overall target is economy-wide, as the combination of the three pillars of the climate cooperation (ESR, LULUCF, EU-ETS) covers emissions from all sectors and greenhouse gases.



Information necessary for clarity, transparency and understanding of (ICTU) of Iceland's Nationally determined contribution to 2030

1 Quantifiable information on the reference point (including, as appropriate, a base year):		
1a	Reference year(s), base year(s), reference period(s) or other starting point(s);	2005
1b	Quantifiable information on the reference indicators, their values in the reference year(s), base year(s), reference period(s) or other starting point(s), and, as applicable, in the target year;	The reference indicator will be quantified based on greenhouse gas emissions covered by the Effort Sharing Regulation (ESR, Regulation (EU) 2018/842). These emissions are calculated as the national total greenhouse gas emissions without LULUCF as reported by the National Inventory Document and excluding emissions from stationary installations under Directive 2003/87/EC as well as CO ₂ emissions from 1.A.3.a civil aviation. The base year emissions in 2005 are 3109.329 kt CO ₂ eq, and the 2030 target is 1834.504 kt CO ₂ eq.
1c	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.
1d	Target relative to the reference indicator, expressed numerically, for example in percentage or amount of reduction;	At least 41% per cent reduction in greenhouse gas emissions covered by ESR by 2030 compared to 2005 levels. (ESR, Regulation (EU) 2018/842)
1e	Information on sources of data used in quantifying the reference point(s);	The ESR emissions in the year 2005 are fixed to the value of 3109.329 kt CO ₂ eq. as per the decision of the EEA joint committee No 29/2022.
1f	Information on the circumstances under which the Party may update the values of the reference indicators.	Values of the reference indicator may be updated due to methodological improvements to the greenhouse gases inventory. Base year and target year emissions are fixed.
2 Time frames and/or periods for implementation:		
2a	Time frame and/or period for implementation, including start and end date, consistent with any further relevant decision adopted by the	From 1 January 2021 to 31 December 2030.



Conference of the Parties serving as the meeting of
the Parties to the Paris Agreement (CMA);

2b Whether it is a single-year or multiyear target, as
applicable.

Single year target, 2030.

3 Scope and coverage:

Iceland will fulfil its NDC through domestic measures and in cooperation with the European Union and Norway. The climate cooperation is established within the European Economic Area Agreement (EEA Agreement) which establishes a single market for the EU Member States and three of the European Free Trade Association (EFTA) States, Iceland, Norway and Liechtenstein. The main pillars of the climate cooperation (Fit for 55) are the following three legislative acts:

a) The Effort Sharing Regulation (ESR): Regulation (EU) 2018/842 of the European Parliament and of the Council. The ESR regulates emissions excluding LULUCF not covered by the EU ETS, and sets binding national targets. These targets can be fulfilled through domestic emission reductions and/or by use of flexible mechanisms within the EU framework. The ESR regulation was incorporated into the EEA Agreement through addition of the regulation to Protocol 31 of the Agreement, by Joint Committee Decision No 269/2019.

b) The Land Use, Land-Use Change and Forestry (LULUCF): Regulation (EU) 2018/841 of the European Parliament and of the Council. The (LULUCF) Regulation regulates emissions and removals for the land use, land use change and forestry sector. For 2021-2025 the regulation sets a national commitment to ensure that net emissions do not exceed emissions for either a reference period or a reference value depending on the land use categories. For 2026-2030, the regulation sets binding national targets. The targets can be fulfilled through domestic net emission reductions and/or by use of flexible mechanisms within the EU framework. The LULUCF regulation was incorporated into the EEA Agreement through addition of the regulation to Protocol 31 of the Agreement, by Joint Committee Decision No 269/2019.

c) The EU Emission Trading System (EU ETS): Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading. The EU ETS regulates emissions from industrial plants, power plants, the petroleum industry and aviation and navigation within the European Economic Area. Iceland has been a part of the ETS since 2008 on the same terms as EU Member States. The ETS Directive was incorporated into the EEA Agreement through the addition of the Directive to Annex XX of the Agreement, by Joint Committee Decision No 146/2007 and subsequent Decisions reflecting updates to the Directive. Emissions from operators falling under the ETS directive are subjected to very rigorous monitoring plans and data quality requirements, with annual emission figures verified by accredited bodies as defined in the ETS

3a General description of the target;



directive and delegated/implementing acts. The reduction target under the system is collective for the whole system, hence no national reduction targets are set under the system.

Whilst Iceland's quantified target pertains to the sectors covered by the scope of the ESR, Iceland's target is economy-wide, as the combination of the three acts mentioned above covers emissions from all sectors and greenhouse gases.

Sectors covered:

1. 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.

International navigation: Emissions from international navigation are included only in respect of CO₂ emissions subject to effective carbon pricing through the EU ETS.

Other energy source categories in accordance with IPCC guidelines.

2. Industrial processes and product use

3. Agriculture

4. Waste

5. Land Use, Land Use Change and Forestry (LULUCF)

Gases covered:

Gases covered:

Carbon Dioxide (CO₂)

Methane (CH₄)

Nitrous Oxide (N₂O)

Hydrofluorocarbons (HFCs)

Perfluorocarbons (PFCs)

Sulphur hexafluoride (SF₆)

Nitrogen trifluoride (NF₃)

Further information will be given in accordance with the IPCC guidelines and the relevant UNFCCC Decisions in the Biennial Transparency Reports and the National Inventory Report.

Since Iceland's NDC is economy-wide with all sectors covered, it complies with this provision. Iceland's national inventory document (NID) describes the sources considered insignificant and reported as not estimated. The NID provides justifications for exclusion.

3b Sectors, gases, categories and pools covered by the nationally determined contribution, including, as applicable, consistent with Intergovernmental Panel on Climate Change (IPCC) guidelines;

3c How the Party has taken into consideration paragraph 31(c) and (d) of decision 1/CP.21;



3d	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.	Not applicable.
4	Planning processes:	
4a	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 NDC target of reducing emissions by at least 41 per cent in 2030 compared to 2005 is a revision to Iceland's 2030 NDC submitted in 2021. The reason for the revision is to clarify how Iceland's quantified target and its overall (national) target fit within the framework of Iceland, Norway and EU's cooperation on emission reductions until 2030. • In October 2019 the EU, Iceland and Norway formally agreed to cooperate on climate action, with the incorporation of the Effort Sharing Regulation (ESR) and the LULUCF Regulation to the Protocol 31 of the EEA Agreement. The ESR and the LULUCF Regulation were set to implement the EU's overall target of 40 percent emission reduction by 2030 relative to 1990. • Iceland announced in December 2020 at the Climate Ambition Summit that it would increase its level of ambition to reflect the EU's updated target, which was increased from 40 per cent emissions cuts by 2030 relative to 1990 to 55 per cent or more, acting in cooperation with the EU and Norway to achieve this enhanced target. • Cabinet approval in December 2020. • The Parliament's Standing Committee for Environment and Communication was consulted in the planning process before the announcement in December 2020. • Following a review of Iceland's NDC in 2024 and 2025, it was decided in 2025 to revise the NDC to clarify how Iceland's quantified target and its overall target fit within the framework of Iceland, Norway and EU's cooperation on emission reductions. This revision does not reflect a change in ambition, but seeks to explain more precisely the nature of the ongoing cooperation – which has not changed in its nature nor ambition since the submission of the updated NDC 2021.
4ai	Domestic institutional arrangements, public participation and engagement with local communities and Indigenous Peoples, in a gender-responsive manner;	Institutional arrangements: The administration framework regarding climate issues is set through Climate Act No 70/2012 for emissions covered by the ESR and the LULUCF regulation, and through ETS Act No 96/2023.



The Climate Act prescribes clear directions on arrangements for the work on the Climate Action Plan and how it should be updated and reviewed. Moreover, it has provisions on the advisory role of Iceland's Climate Council. It also provides a framework on adaptation to climate change, as well as guidelines regarding the scientific reporting on the impact of climate change on Iceland. According to the Climate Act, the Climate Action Plan is to be reviewed at least every four years, taking into account international commitments and the stated objectives of the government. The Climate Action Plan was last reviewed in 2024, with a 2025-2026 implementation plan approved by cabinet in September 2025. The work on the Climate Action Plan was carried out by a standing inter-ministerial climate change committee, with the Association of Local Authorities also represented, led by the Ministry for the Environment, Energy and Climate.

Regulation 786/2024 on the inter-ministerial climate change committee further defines the arrangement for the work on the Climate Action Plan and Iceland's National Adaptation Plan.

Regulation 334/2024 on Iceland's Climate Council further defines its governance and role as an advisory body to the development and implementation of climate policy in Iceland.

The ETS Act transposes all the requirements of the EU ETS legislative framework, as incorporated into the EEA Agreement, into Icelandic law.

The Ministry of Environment, Energy and Climate has the overarching cross-sectoral responsibility for coordination and implementation. The Ministry of Finance is responsible for the tax schemes and the other ministries are responsible for policies in their respective sectors. Further details on institutional arrangements are found in Iceland's National Communication to the UNFCCC and will be updated in Iceland's Biennial Transparency Reports under the Enhanced Transparency Framework of the Paris Agreement.

In accordance with the Climate Act No 70/2012, stakeholders are to be consulted in the preparation of the Climate Action Plan. An inter-ministerial working-group, responsible for developing proposals for actions and overseeing their implementation, was appointed by the minister for the environment, energy and climate. Additionally, the Association of Local Authorities in Iceland nominates one representative. The working-group are to submit an annual report to the minister on the progress of the action plan.

In 2011, Iceland ratified the UNECE Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (the Aarhus Convention), which



links human rights and environmental rights.

Iceland supported the adoption of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

4a	Contextual matters, including, inter alia, as appropriate:	
4aia	National circumstances, such as geography, climate, economy, sustainable development and poverty eradication;	Information on national circumstances can be found in Iceland's Biennial Transparency Report (BTR) and National Inventory Document (NID).
4aiib	Best practices and experience related to the preparation of the nationally determined contribution;	Iceland's Climate Council has the role of providing oversight and advice to the government on strategic decisions and Iceland's climate-related goals.
		Integration of just transition and gender equality is fundamental.
4aiic	Other contextual aspirations and priorities acknowledged when joining the Paris Agreement;	The Constitution states that all shall be equal before that law and enjoy human rights without regard to sex, religion, opinion, national origin, race, colour, financial status, parentage and other status. Men and women shall have equal rights in every respect. Act on equal gender right and gender equality No 150/2020 is to prevent gender discrimination and to create and maintain equal rights and opportunities for all genders in all aspects of the community.
4b	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;	Not applicable.
4c	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;	Not applicable.
4d	Each Party with a nationally determined contribution under Article 4 of the Paris Agreement that consists of adaptation action and/or	Not applicable.



economic diversification plans resulting in mitigation co-benefits consistent with Article 4, paragraph 7, of the Paris Agreement to submit information on: 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.

Assumptions and methodological approaches, including those for
5 estimating and accounting for anthropogenic GHG emissions and, as appropriate, removals:

5a Assumptions and methodological approaches used for accounting for anthropogenic GHG 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;

Assumptions and methodological approaches are in accordance with methodologies and common metrics assessed by the IPCC (see 5 (d), below).

Final accounting towards the target at the end of NDC implementation period may depend on further arrangements in Iceland's cooperation with the EU and Norway. Any use of internationally transferred mitigation outcomes will be included in Iceland's accounting, consistent with the approach used by the EU and Norway and accounted for in a way that avoids double counting. This approach is yet to be fully defined and agreed upon by all involved parties.

5b Assumptions and methodological approaches used for accounting for the implementation of policies

Not applicable.



and measures or strategies in the nationally determined contribution;

5c	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;	Iceland's current greenhouse gas inventory is in accordance with Decision 18/CMA.1 and hence the IPCC 2006 Guidelines, the 2013 Revised Supplementary Methods and Good Practice Guidance Arising from the Kyoto Protocol (IPCC 2013 KP Supplement), the 2013 Supplement to the 2006 IPCC Guidelines for the National Greenhouse Gas Inventories: Wetlands (IPCC 2013 Wetlands Supplement) and the 2019 Refinements to the 2006 IPCC Guidelines.
5d	IPCC methodologies and metrics used for estimating anthropogenic GHG emissions and removals;	IPCC 2006 guidelines, IPCC 2013 KP Supplement, the IPCC 2013 Wetlands Supplement and the 2019 Refinements to the 2006 IPCC Guidelines are used for estimating greenhouse gas emissions and removals. Global warming potentials (GWP) for a 100-year time horizon from the IPCC's fifth Assessment Report are used to calculate CO ₂ equivalents.
5e	Sector-, category- or activity-specific assumptions, methodologies and approaches consistent with IPCC guidance, as appropriate, including, as applicable:	Information in Section 5(e)(i-iii) and 5(f)(i) refers to the legal framework in force at the time of this submission. Iceland'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 framework identifies net accounted emissions and removals, contributing to the aim of enhancing Iceland's net land sinks in the long-term.
5ei	Approach to addressing emissions and subsequent removals from natural disturbances on managed lands;	Approach to addressing emissions and removals from natural disturbances on afforested land and managed forest land is according to Art 10 and Annex VI of Regulation (EU) 2018/841. Iceland has not decided if emissions resulting from natural disturbances will be excluded.
5eii	Approach used to account for emissions and removals from harvested wood products;	Production Approach is used to account for emissions and removals from harvested wood products, as defined in IPCC Guidelines; see also Art 9 and Annex V of Regulation (EU) 2018/841.
5eiii	Approach used to address the effects of age-class structure in forests;	Within the context of Iceland's climate cooperation with the European Union and Norway, emissions and removals in managed forests in the period 2021-2030 will be accounted for as the deviation from a projected forward-looking forest reference level, with regards to dynamic age-related forest characteristics, as in accordance with Art 8 and Annex IV of Regulation (EU) 2018/841. 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. The approach is described in Iceland's national inventory document (NID).
5f	Other assumptions and methodological approaches used for understanding the nationally determined contribution and, if applicable,	N/A



estimating corresponding emissions and removals,
including:

5fi

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;

Under the revised Effort Sharing Regulation (ESR), the EU legislation sets enhanced binding national reduction targets for greenhouse gas emissions not covered by the existing EU ETS, namely domestic transport (except aviation), buildings, agriculture, waste and small industries. The emissions reduction target for Iceland of 41% in 2030 compared to 2005 is in line with the individual targets of the EU member states. The ESR emissions in the year 2005 are fixed to the value of 3109.329 kt CO₂eq. as per the decision of the EEA joint committee No 29/2022. Emissions under the scope of the EU Emission Trading System (ETS) concerns industrial plants, commercial aviation and navigation within the European Economic Area. As the EU ETS operates across borders to reduce emissions collectively, emissions from operators registered in Iceland are not included in the national reference indicator. However, by participating in the system, Iceland continues to contribute to overall emission reductions within the ETS framework. Iceland participates in the EU regulatory framework for Land Use, Land-Use Change and Forestry (LULUCF). Within the climate cooperation with the European Union and Norway, emissions and removals from the land sector will be accounted for based on specific accounting rules for the different land categories in regulation (EU) 2018/841, Art 6-8 and Annex IV. Due to the specific characteristics of the LULUCF sector, no separate indicator is provided for it.

For the period 2021-2025, following accounting rules are used:

- Accounting for emissions and removals from LULUCF follows specific rules depending on the land accounting category in accordance with Regulation (EU) 2018/841.
 - Afforested Land and Deforested Land use baseline zero (gross-net accounting). Managed Grassland, Managed Cropland and Managed Wetland use as baseline the average emissions between 2005 and 2009 (net-net accounting).
 - Managed Forest Land uses as baseline a Forest Reference Level based on continuation of Forest Management Practices between 2000 and 2009 and taking into account the age-class structure of forests, projected through the compliance period.
- The mere presence of carbon stocks is excluded from accounting.
- LULUCF Categories: Emissions and removals occurring on reported categories of forest land, cropland, grassland, and wetland, including land use change between these categories, and between these categories and settlements and other land.
- LULUCF Pools: Above-ground biomass; Below-ground biomass; Litter; Dead wood; Soil organic carbon; Harvested wood products.

Accounting rules and targets for the period 2026-2030 are pending uptake of the updated regulation into the EEA Agreement and the LULUCF target for Iceland is still not known.



		Therefore, a quantified target for LULUCF emissions is not set in this NDC and respective emissions are not included in the national reference indicator.
5fii	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.
5fiii	For climate forcers included in nationally determined contributions not covered by IPCC guidelines, information on how the climate forcers are estimated;	Not applicable.
5fiv	Further technical information, as necessary;	Not applicable.
5g	The intention to use voluntary cooperation under Article 6 of the Paris Agreement, if applicable.	Iceland seeks to fulfil the NDC through the climate cooperation with the European Union and Norway. Final accounting towards the target at the end of NDC implementation period may depend on further arrangements in Iceland's cooperation with the EU and Norway. Any use of internationally transferred mitigation outcomes will be included in Iceland's accounting, consistent with the approach used by the EU and Norway and accounted for in a way that avoids double counting. This approach is yet to be fully defined and agreed upon by all involved parties. A decision on the use of voluntary cooperation under Article 6 of the Paris Agreement is pending.
6	How the Party considers that its nationally determined contribution is fair and ambitious in the light of its national circumstances:	
6a	How the Party considers that its nationally determined contribution is fair and ambitious in the light of its national circumstances;	Iceland's projected emission reduction in 2030, at the time of this revision estimates a reduction of -28% compared to 2005 in sectors pertaining to its quantified target. Yet, Iceland aims for reducing emissions by 41% in respective sectors compared to 2005. These projections already build on and take into account significant progression in vehicle electrification and waste management. Moreover, these targets are to a backdrop of Iceland's pre-2005 full transition of its energy production and district heating to renewable sources (hydro and geothermal).
6b	Fairness considerations, including reflecting on equity;	Iceland regards its nationally determined contribution to represent its fair share of the efforts to achieve the global long-term goal of the Paris Agreement.



6c	How the Party has addressed Article 4, paragraph 3, of the Paris Agreement;	Neither Iceland's INDC (1 st NDC) submitted in 2016 nor its update submitted in 2021 detailed Iceland's respective fair share in the EU's climate targets which they set out to collectively deliver. In this revised NDC, Iceland establishes a specific target for emissions in sectors that correspond to its expected fair share under the EU Effort Sharing Regulation. By setting a clear quantified target, Iceland believes its revised NDC more clearly represents a progression from the INDC which only states the intent to collectively deliver the EU's climate targets.
6d	How the Party has addressed Article 4, paragraph 4, of the Paris Agreement;	By having an economy-wide target, Iceland complies with this provision.
6e	How the Party has addressed Article 4, paragraph 6, of the Paris Agreement	Not applicable.
7	How the nationally determined contribution contributes towards achieving the objective of the Convention as set out in its Article 2:	
7a	How the nationally determined contribution contributes towards achieving the objective of the Convention as set out in its Article 2;	Iceland considers its enhanced NDC to be in line with the objective of the UNFCCC and long-term goal of the UNFCCC Paris Agreement, as explained in 6a.
7b	How the nationally determined contribution contributes towards Article 2, paragraph 1(a), and Article 4, paragraph 1, of the Paris Agreement.	See further 6a and 7a.