



Observatoire
de la Politique
Climatique

Annual report 2022

07/10/2022

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The Climate Policy Observatory

The role of the OPC

Legal basis

- Set up in the framework of Luxembourgish climate law.
- Members nominated by the Government in Council.

Missions

- Advising on projects, actions or measures that may have an impact on climate policy.
- Scientifically evaluating the measures carried out or envisaged in the field of climate policy.
- Analysing their effectiveness, as well as proposing new measures.

Tasks

- Writing an annual report for the Government on the implementation of the climate policy.
- Proposing research and studies in all fields related to the climate.

Members of the OPC



Andrew FERRONE
President



Mirjam KOSCH
Vice-president



Enrico BENETTO



Sabine DÖRRY



Claire DUPONT



Ariane KÖNIG



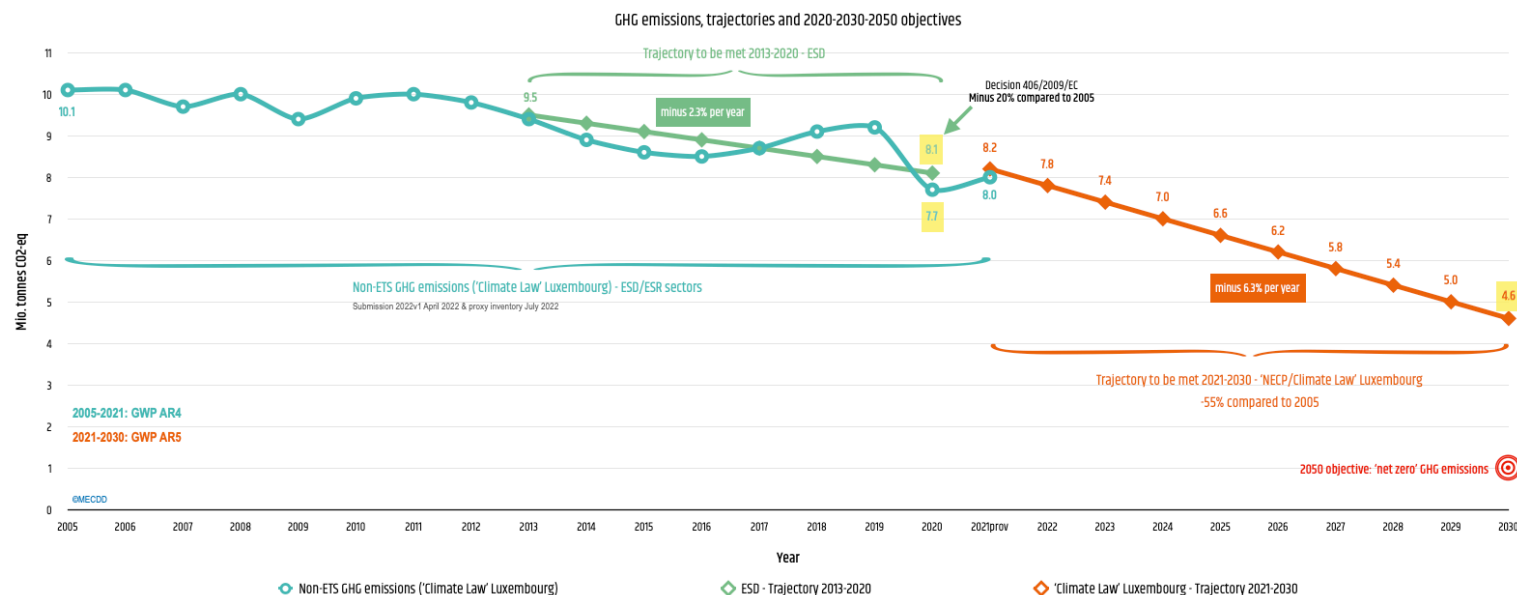
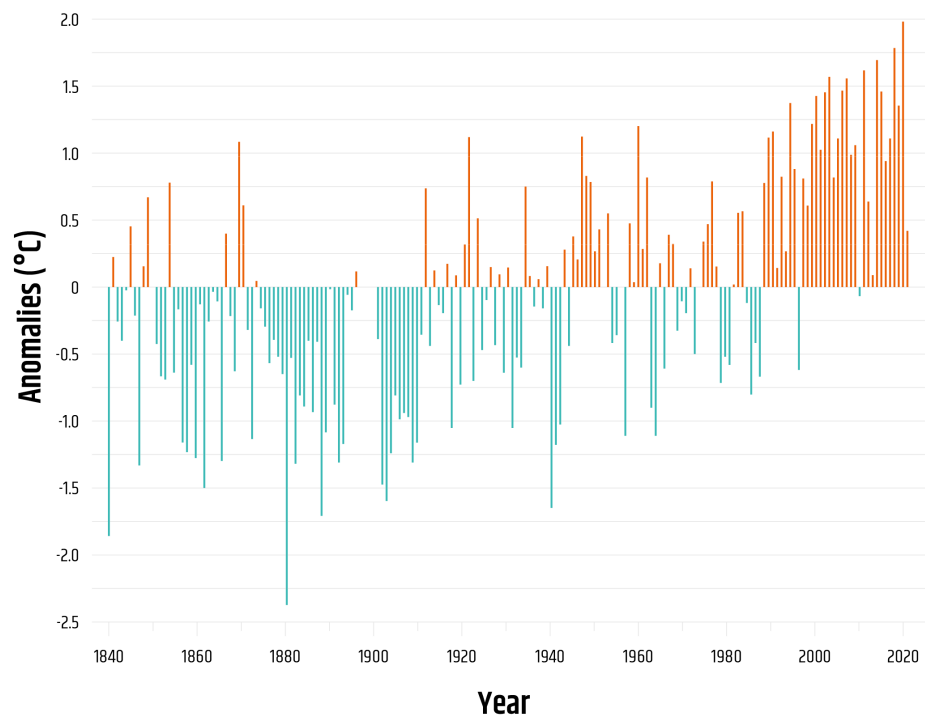
Jean-Pascal VAN YPERSELE

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The Heat is On!

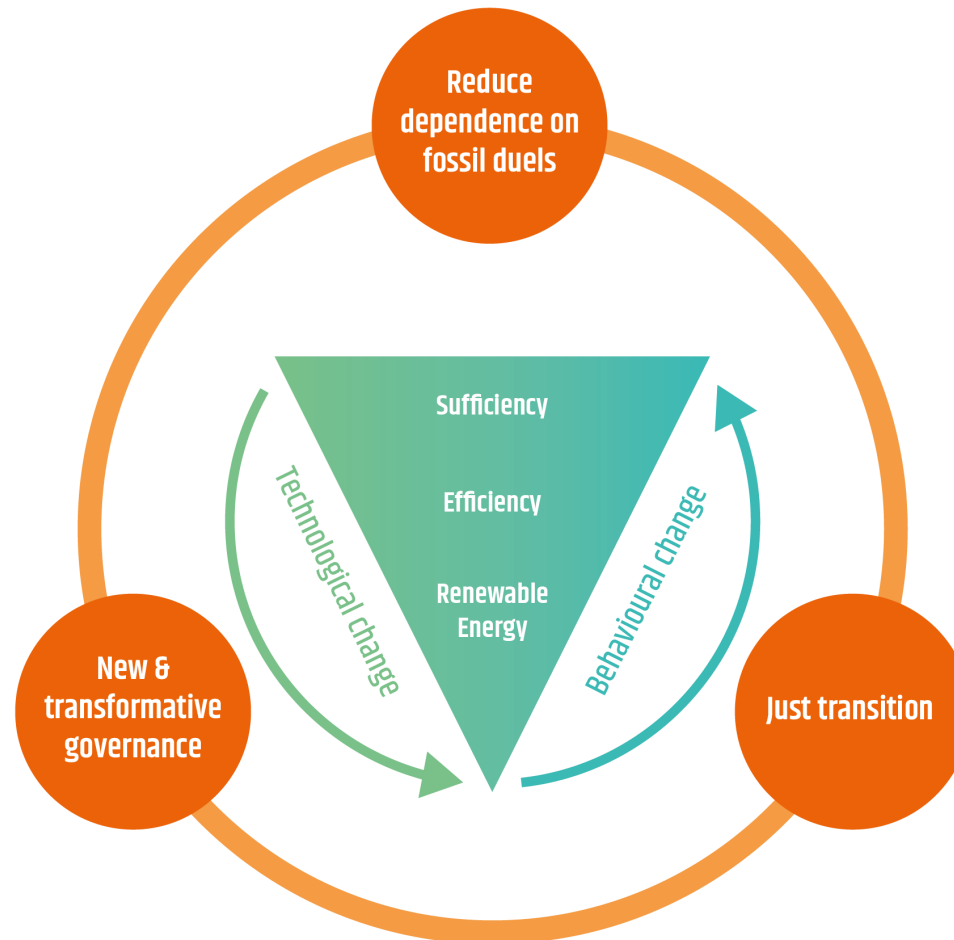
Temperature & Emissions in Luxembourg

Anomalies of annual air temperature from the reference period 1961 - 1990



Three main principles

Transformation to
a Sustainable and Decarbonised Society



Reduce dependence from fossil fuels

Technological & behavioural change needed

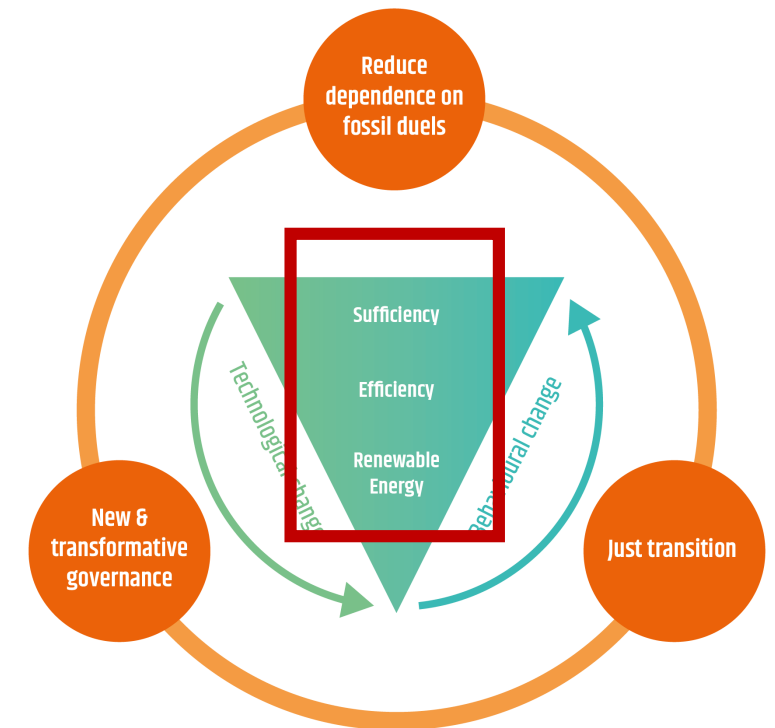
Three main levers

- **Sufficiency:** low-energy sufficient lifestyles
- **Efficiency:** increase the energy efficiency of the economy
- **Renewable energy:** decarbonise the energy production and imports



Consider carbon embedded in imported goods, i.e. account for consumption-based emissions.

Transformation to
a Sustainable and Decarbonised Society



Just transition to climate-resilient development

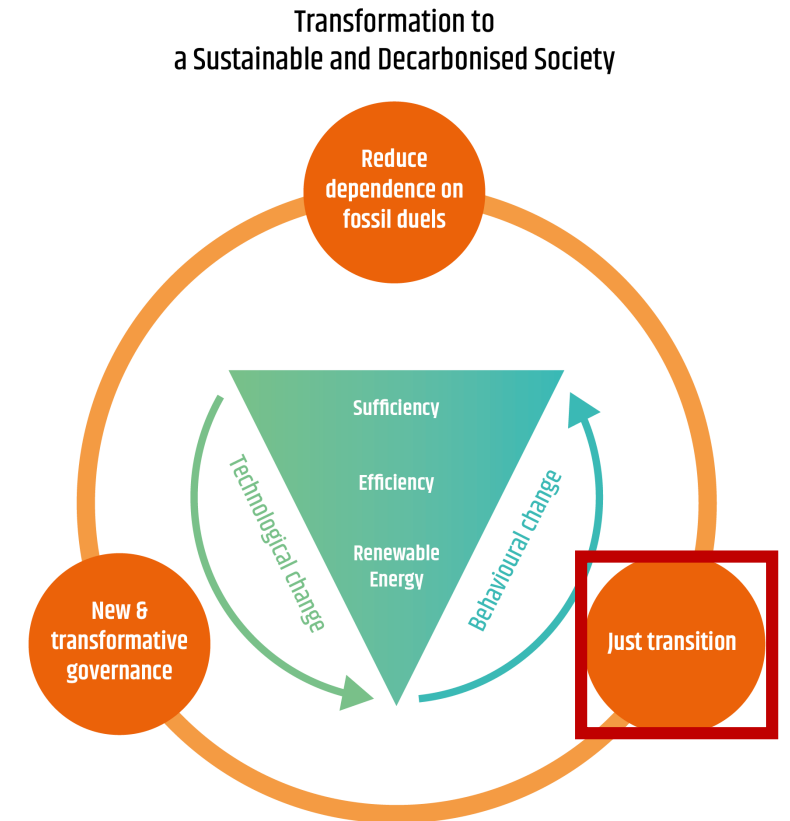
«...to support sustainable development for all» (IPCC 2022)

Three main questions for national policy design

- What are the costs, benefits and risks associated with a policy?
- How are these costs, risks and benefits distributed?
- How can we evaluate the policies socio-economic impacts?



Contribute to the UN's 17 Sustainable Development Goals (SDGs)

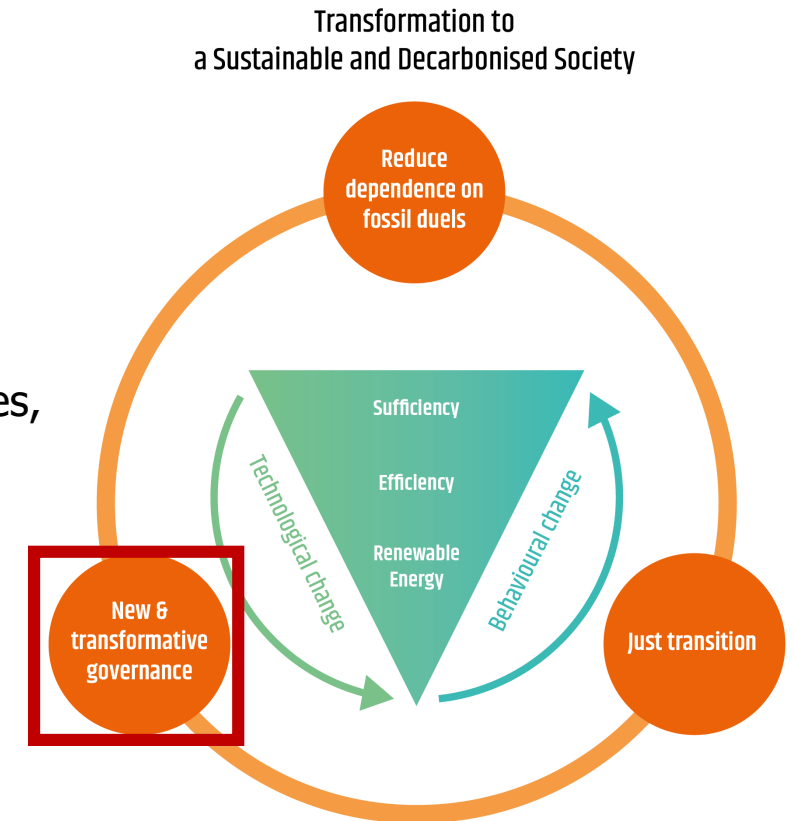


New and transformative governance

Transforming processes and structures

Three key areas levers

- **Integrated governance:** coherent policy goals across governance levels and sectors.
- **Participative governance:** enable meaningful participation of communities, groups, citizens, and stakeholders.
- **Fair governance:** alleviate inequalities across generations, rural/urban communities, minority groups etc.



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Sectoral recommendations

General approach to sectors

Rapid and just transformation to a sustainable and decarbonised society requires action across all sectors

First annual report of the OPC

- Provide recommendations on how to proceed in a **selection of sectors**.
- **Not to be considered exhaustive** within the sectors discussed.
- **No hierarchy** of importance attached to them.
- **Urgent action** in a selection of sectors.



The war in Ukraine and the current energy crisis



Limited gas supply, high energy prices and an upcoming winter...

Recommendations from the OPC

- **Financial support for vulnerable households and companies.**
- **Reduce subsidies to fossil energy.**
- Continue and strengthen the measures in place aiming for a reduction of final energy demand.

The latest "tripartite" agreement was signed after the completion of the OPC report



Buildings

Luxembourg has the one of the highest energy standards for new buildings

Recommendations from the OPC

- Reduce ambient temperature in homes and offices.
- Reduce floor area per person.
- **Promote resilient buildings.**
- **Require landlords to invest in renovations of leased homes or apartments.**
- **Ban replacement of fossil heating systems.**
(complemented with awareness raising)



Transport

Luxembourg offers free public transport, continues ambitious investment and aims at an accelerated electrification

Recommendations from the OPC

- **Land use and urban planning to reduce space for cars.**
- Develop plans for a 15-minute city.
- Promote working from home.
- **Incentivise the modal shift from a car-centric to a shared, soft mobility system.**
- Increase share of electric vehicles (EV) and make fossil fuel vehicles less attractive (e.g. by increasing taxes)



Energy Systems

Luxembourg is investing in renewable energy

Recommendations from the OPC

- **Increase the capacity of renewable energy production and thereby decrease the dependency on imports from foreign markets.**
- Continue and strengthen the measures in place aiming for a reduction of final energy demand.
- Stop direct/indirect subsidies to fossil energy.



Food, Agriculture and Forestry

Luxembourg's territory is partly covered by protected areas

Recommendations from the OPC

- **Shift to balanced, sustainable healthy diets** (complemented with awareness raising).
- Reduce food loss and food waste.
- Reduce methane and nitrous oxide emissions in agriculture.
- Minimise dependency on production-related inputs.
- Increase efficiency in extracting valuable resources.
- Promote carbon sequestration in healthy and resilient forests.
- **Promote carbon sequestration on agricultural land in woody structures and soil.**
- Promote ecosystem restoration, and planting trees in urbanised areas.
- **Reduce net land take from about 0.5 hectares per day to zero hectares per year.**



Finance

Public spending in relation to climate mitigation is substantive

Recommendations from the OPC

- Maintain public spending on projects that lead to and/or support sustainability transformation.
- **Attract sustainable financing for sustainable projects/investments with a particular focus on Luxembourg and the Greater Region.**
- Identify financial support for sustainable initiatives at the community level.



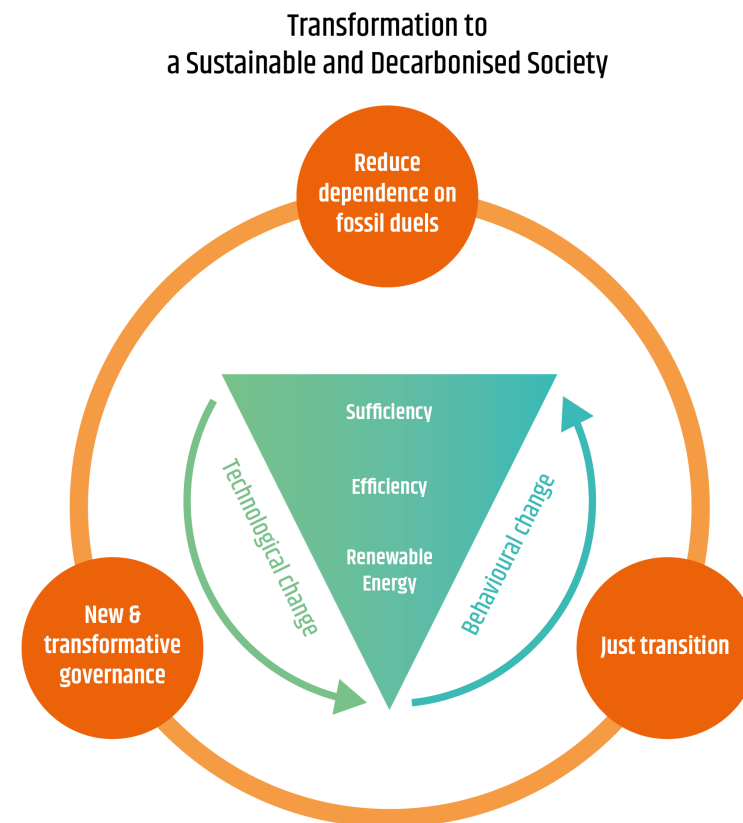
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Conclusion

Any further delay in concerted global action will miss a brief and rapidly closing window to secure a livable future (IPCC 2022)

Time for action is now

- **Luxembourg as a test-bed for behavioral changes**
- **Reducing dependence on fossil fuels as opportunity**
- **Just transition and Participative and fair governance**





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Thank you

Report can be downloaded here

