

OPC press release

Luxembourg's Climate Policy Observatory (Observatoire de la politique climatique, OPC) has released a statement on the first draft of the update of the National Energy and Climate Plan (Plan national intégré en matière d'énergie et de climat du Luxembourg pour la période 2021-2030, PNEC). Below are the main highlights of the the statement.

Highlights

The draft PNEC update (hereafter "PNEC") provides a valuable overview of Luxembourg's climate policy plans in the coming years. The OPC appreciates this detailed document and the associated modelling, which is an important step forward compared to the first version of the PNEC. This statement contains the OPC's position on the PNEC. Our main points of feedback and critique can be summarized as follows:

- **Integrated solutions are missing:** The focus of the PNEC is on individual, sectoral, incremental measures. There is a lack of a national strategy and vision for integrated solutions that are of cross-sectoral relevance. The current plan largely neglects the need to design and discuss comprehensive and coherent bundles of policies that strategically aim at systemic changes, while motivating citizens to change their current high consumption and high-greenhouse gas (GHG) emitting behaviour towards more climate-resilient lifestyles.
- **Production- versus consumption-based emissions:** The PNEC recognizes the importance of keeping consumption-based emissions in mind. However, both the STATEC modelling included and most measures are aimed at reducing production-based emissions, as included in the official GHG accounting. This will inevitably lead to carbon leakage abroad (externalization of carbon-related damage and pollution) as illustrated for the transport sector below. Inclusion in the PNEC of integrated policies that support the reduction of consumption-based footprint, e.g. by focusing on fostering behavioural changes, is important for attaining the global CO₂ net-zero goal needed to limit global temperature rise to 1.5°C.
- **High danger of carbon leakage in transport sector:** According to STATEC calculations, emission targets in the buildings and industry sectors will most likely not be achieved, whereas the target in the transport sector will be overachieved. Unfortunately, this reduction relies heavily on taxing fuel consumption of the logistics sector and non-residents. These are thus not real emission reductions but only a shift abroad, i.e. carbon leakage.

The OPC proposes several specific changes to measures in the PNEC. In the following, we present the most important ones:

- **Higher CO₂ tax:** The CO₂ tax should be raised to 200€/t CO₂ considering both scientific evidence and public opinions from the Klima-Biergerroot (KBR). The additional revenue should be used to finance transformational climate protection measures and to relieve vulnerable households and companies.
- **Integrated energy and mobility planning:** Integrated energy planning in municipalities and other instruments that help to design integrated solutions should become mandatory.
- **Agriculture and LULUCF:** From a territorial point of view, these are the most important sectors to reach climate neutrality in 2050 as inscribed in Luxembourg's climate law. While the PNEC is focused on the targets of 2030, the OPC considers that measures proposed in these sectors are not sufficient to lead to climate-resilient development. A clear target for limiting the livestock size in line with the recommendations from the KBR as well as a clear commitment for increasing the carbon absorption capacity in the forestry sector and by agroforestry are required to reach the goal of climate neutrality.
- **Models and scenarios:** Sensitivity analyses for the model results are needed with respect to GDP growth, energy prices and feasibility of policy implementation. Limitations and assumptions of the modelling approach need to be documented and made transparent and publicly accessible.
- **OPC recommendations:** Various other proposals in both the OPC's annual report and the KBR report have not been included in the PNEC. It is desirable that these are either included in future policy plans or at least explained in detail why they are not (currently) being implemented.

Finally, the PNEC is a large and detailed document. The short 30-day duration of the public consultation is insufficient for this. In order to allow for adequate participation of all stakeholders, this duration would have to be significantly extended.

Further Information and contact

The full statement can be found [here](#).

Information about the OPC, its mission and its members is available on our website:

<https://opc-luxembourg.lu>

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