



A CLIMATE PACT TO STRENGTHEN THE ROLE OF LUXEMBOURG'S MUNICIPALITIES

Key messages

The Climate Pact is a co-operative agreement through which local governments commit to implement certain environment- and climate-related measures. In return, they receive government financial and technical assistance, as well as an environmental certification. The Climate Pact has helped improve co-ordination between the central and local governments and encouraged municipalities to take actions in line with national climate mitigation commitments.

Country: [Luxembourg](#)

Sectors: [Energy](#) | [Transport](#) | [Urban planning](#)

Scale: [Local](#)

Challenge

Luxembourg municipalities (communes) are responsible for several policies that can have an impact on climate mitigation and adaptation, including local land use, mobility and waste management. They enjoy substantial autonomy, leading to different practices across the country. There is a need to further improve co-ordination between the central government and communes, and encourage local governments to take actions to reduce greenhouse gas (GHG) emissions.

Approach

Launched in 2012, the Climate Pact aims to strengthen the exemplary role of municipalities in climate policy, to reduce GHG emissions and energy use, and to stimulate investment at local level. In 2021, the government renewed the design of the pact to reward more quantitative results ([Pacte Climat 2.0](#)).

The Climate Pact is a co-operative agreement. Each participating municipality commits to hire a climate adviser; it also commits to implement an energy management system and a number of the 64 measures in a catalogue. There are six categories of measures: spatial planning and development; municipal buildings; resource management; mobility; internal organisation; and co-operation. Municipalities can be awarded a certification within the framework of the European Energy Award based on the number of implemented measures. There are four levels of certification: 40%, 50%, 65% and 75% of the maximum score. The 65% level was added with the new version of the pact.

The government provides financial assistance and technical support, the latter through myenergy (a government body providing information and assistance on energy efficiency and renewables). The state covers the costs of climate advisers and technical assistance. Luxembourg's Environmental Protection Fund subsidises municipal projects linked to implementation of the pact. Certified municipalities receive an

annual subsidy of between EUR 10-45 per inhabitant (with a ceiling of 10 000 inhabitants) depending on the certification level. The variable subsidy declines over time.

Outcomes and lessons learned

All 102 of Luxembourg's municipalities signed the first version of the Climate Pact. As of 2019, 94 municipalities had received certification (7 at 40%, 78 at 50% and 9 at 75%). These certifications will expire as soon as a commune receives a certification under the new Climate Pact, or by end 2022 at the latest. As of June 2021, 68 communes had signed the *Pacte Climat 2.0*.

The Climate Pact has helped improve co-ordination on climate policy between the central and local governments.

It has improved local capacity to implement climate mitigation measures and encouraged municipalities to take actions in line with Luxembourg's national climate mitigation targets.

Further information

OECD (2020), *OECD Environmental Performance Reviews: Luxembourg 2020*, OECD Environmental Performance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/fd9f43e6-en>.

PactClimate (2021), *PacteClimat*, website, www.pacteclimat.lu/fr.

Last updated: 06-10-2021