

## LUXEMBOURG

### Programme de développement rural pour le Grand Duché de Luxembourg - 2007-2013

*(The text of this summary sheet was finalised in August 2010 in accordance with the version of the RDP that was current at this time)*

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#### Other useful links:

Rural Development Programme (RDP):

[http://www.ma.public.lu/aides\\_financieres/aides\\_communautaires/aides\\_rural/Pdr\\_version\\_02.pdf](http://www.ma.public.lu/aides_financieres/aides_communautaires/aides_rural/Pdr_version_02.pdf)

National Strategy Plan (NSP):

[http://www.ma.public.lu/aides\\_financieres/aides\\_communautaires/aides\\_rural/Strategie\\_Nationale\\_version\\_def.pdf](http://www.ma.public.lu/aides_financieres/aides_communautaires/aides_rural/Strategie_Nationale_version_def.pdf)

LEADER site:

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### Climate Change and Renewable Energy issues in 2007-2013 RDP

Climate change (CC) is fundamental to the context for agriculture and policy making. EU agriculture must play an important role in mitigating this phenomenon by curbing greenhouse gas (GHG) emissions; at the same time it needs to adapt to the expected climatic adversities which will have serious consequences on production processes. Rural development offers a range of possibilities to support farming practices and investments that can contribute to climate change *mitigation* efforts (including the increase of the use of *Renewable Energy* (RE) resources) and additionally effect *adaptation* benefits. CC challenges have been well recognized in the baseline analysis of the 2007-2013 EU Rural Development Programmes (RDP) and addressed in their strategies. Following the Health Check (HC) of the Common Agricultural Policy (CAP), the 'new challenges' of the RD policy include 'climate change' and 'renewable energy' for which an additional budget of approximately 1 billion EUR<sup>(1)</sup> have been made available for Member States (MS) to spend on this issues<sup>(2)</sup>. As a consequence, the operations related to these newly introduced Community priorities have been further strengthened in the RDPs.

<sup>(1)</sup> 19.8% of the total additional funds released.

<sup>(2)</sup> The budget allocated to the 'new challenges' includes the funds released by the HC of the CAP (including voluntary modulation and transfers according to Art. 136 of Regulation (EC) No. 73/2009) and the European Economic Recovery Package (EERP).

## Introduction - overview of the Luxembourg RDP

All the three dimension of climate change (mitigation, adaptation and the potential for renewable energies) are addressed by the baseline analysis provided in the RDP. These three aspects have been considered and correspondingly addressed in the RDP strategy and within the implemented measures.

The environmental dimension of agricultural policy has been recognized and supported. The Government intends to continue its efforts in this area, thus contributing to the status of implementation agreements, the Göteborg and Kyoto. This strategy is based on the concept of sustainable development that will manage and exploit natural resources so as not to compromises its future.

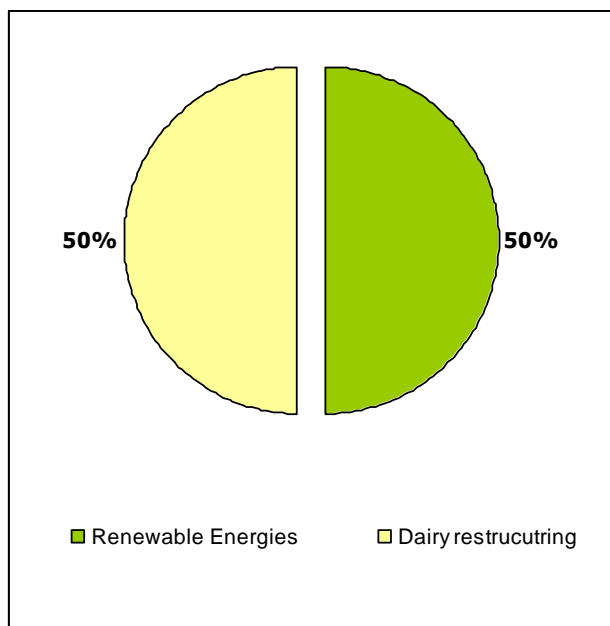
The main actions related to climate change are presented in Axis 1, through support to investments for energy saving or production of energy from agriculture and forestry, and in Axis 2, through agri-environmental measures and promotion of the role of forests towards the environment.

The use of renewable energy is a growing resource in Luxembourg, especially the production of electricity from wind turbines and photovoltaic systems is growing rapidly. Agriculture joins this trend in the construction and operation of biogas plants. The biggest growth in this area to report is the use of biomass, especially wood. The use of thermal energy from the sun is also rising significantly.

Measures for the continued support offered by the government aims to conduct studies to determine the potential of biomass in Luxembourg, for agriculture than for forestry, which will enable the development of domestic renewable energy, both in volume and the implementation of new technologies and innovative practices. These studies will be carried out also for the private sector in combating climate change.

In brief, climate change is more substantially addressed in the baseline analysis than in the strategy, where emphasis is put on renewable energies.

### Allocation of the additional resources per type of priority



The overall budget of the Luxembourg RDP in terms of total public expenditure amounts to €368,457,903 of which €90,037,826 of EAFRD contribution. This includes an additional allocation of €4,920,000 (EAFRD contribution) as a result of the article 69(5<sup>th</sup>) from EC Regulation N°1698/2005.

Following these changes, additional financial support to the RDP objectives related to renewable energy (+ €2.46 million, 50%) and dairy restructuring (+ €2.46 million, 50%) has been enhanced for the period 2010-2013. These new financial supports should be considered in addition to the initial RDP which was already addressing CC and RE.

The Luxembourg authorities have decided co-financed this additional financial support at a rate of 20%.

Full details of the overall RDP budget allocation can be found in the RDP fiche for Luxembourg that is available at:

[http://enrd.ec.europa.eu/rural-development-policy/country-information/rural-development-policy-fiches/en/rural-development-policy-fiches\\_home\\_en.cfm](http://enrd.ec.europa.eu/rural-development-policy/country-information/rural-development-policy-fiches/en/rural-development-policy-fiches_home_en.cfm)

## Mitigation

### *Activities aimed at reducing agricultural greenhouse gases emissions*

The Luxembourg RDP provides some support for activities which could contribute to reduce agricultural emissions. Following the HC revision and the adoption of the EERP, new strengthened operations have been implemented for environmental protection and sustainable agriculture which enhance the uptake of the priority of CC mitigation. For most operations, climate change mitigation is a co-benefit rather than a key objective.

The main measure through which the RDP contributes to the mitigation of climate change is under Axis 1, **measure 121** – *modernization of agricultural holdings*. This measure aims to reduce GHG emissions from livestock production through investments in manure and slurry treatment facilities. For on-farm investments contributing to significant energy saving the aid rate is increased by 10%. Support is also available for improving the efficiency of fertilizer through investment in machinery for more precise spreading of fertilizers.

Another important measure to mitigate climate change is under Axis 2, **measure 214** – *agri-environment payments*. This measure is related to agri-environmental measures (measure 214), and sub-measures aimed at promoting the maintenance of the environment and landscape, or extensification of agricultural production and environmentally friendly practices. Within the latter sub-measure, one action (3.5) is aimed at improving the spreading of organic manure and slurry with the objective of reducing ammonia emissions.

## Adaptation

### *Prevention of, and coping with, potential impacts of climate change on agriculture*

No measures in this RDP can be considered as clearly targeted to adaptation to climate change. A number of standard operations identified as susceptible to contribute to the adaption to climate change are not implemented.

The main measure associated with operations that contributes to prevent climate change impacts is **measure 214**. Such measure concerns in particular the protection of wetlands, planting of hedgerows or conservation of genetic resources. However, despite being an important measure is not the correct one to prevent climate change impacts.

Other operations concerned with adaptation to climate change are related to improve animal rearing conditions (**measure 121**) and also training (**measure 111**) or use of advisory services (**measure 114**) to a limited extent.

### Main RDP measures which contribute to address CC mitigation/adaptation issues

Axis/Measure	Description	Type of operation	Potential effects
<b>Axis 1</b>			
<b>121</b>	Modernisation of agricultural holdings	<p>Conversion of agricultural biomass for the production of renewable energy; creation of storage capacity for manure management and / or storage of manure</p> <p>Investment aid linked to milk production, creation of storage capacity for manure management and / or storage of manure</p>	<p>Replacing fossil fuels, reducing emissions of methane (CH<sub>4</sub>), replacement of fossil fuels, better compliance with the Nitrate Directive by restricting the spreading of manure</p> <p>Improving the competitiveness of the dairy sector, better compliance with the Nitrate Directive by restricting the spreading of manure</p>
<b>Axis 2</b>			
<b>214</b>	Agri-environment payments	<p>Promoting the maintenance of the environment and landscape; extensification of agricultural production and environmentally friendly practice</p> <p>Improving the spreading practices of organic fertilizers, and allows reducing considerably the emissions of ammonia.</p>	<i>No data available</i>

### Renewable energies

*Electricity, heating and transport fuels produced from biomass (such as biofuels, biogas) and other renewable sources (solar, wind, geothermal).*

The developing renewable energies are one of the strategic priorities of the Luxembourg RDP among climate change related issues. Among the 7 standard operations to promote renewable energy in the agriculture and forestry sectors, 4 indeed are addressed by Luxembourg.

The key measure for supporting renewable energies under Axis 1 is **measure 121** and concern on-farm production of biogas, processing of biomass from agriculture or forestry, and on-farm use of renewable energies. This measure supports investments for production of renewable

energy from biomass (methane, ethanol, straw, wood) (aid rate: 40% of the total amount of investments), and provides a special 10% increase of the aid rate for investments allowing energy savings, and supports in particular installations to recycle heat.

**Measure 311**, in Axis 3, supports other important operations related to diversification towards non-agricultural activities. Diversification is encouraged in particular towards different activities susceptible to develop the renewable energy sector such as a) infrastructures and equipments to valorise wood from forests and produce in particular pellets, chips, or fuel wood, b) small-scale infrastructures for production and supply of energy from biomass, c) small-scale installations for cogeneration or hydroelectricity (< 60KW) (aid rate: 30% of the total amount).

### Main implemented RDP measures related to the development of RE sources

Axis/Measure	Description	Type of operation	Potential effects
<b>Axis 1</b>			
<b>121</b>	Modernisation of agricultural holdings	Support to new environmental technologies, particularly in relation to renewable energies. Support to investments in manure and slurry storage and treatment facilities producing biogas and biomass.	Increase the quota of renewable energy derived from biomass from agriculture and forestry
<b>Axis 3</b>			
<b>311</b>	Diversification in non-agricultural activities	Investments to develop the renewable energy through infrastructures and equipments to valorise and for production and supply of energy and from biomass; create small-scale installations for cogeneration of hydroelectricity.	Increase the production of sustainable energy at a local level; generate additional non-agricultural employment opportunities and income while at the same time reducing the usage of fossil fuels.