



ENSURING THAT POLLUTERS PAY

Offsetting schemes

This factsheet presents an example of an offsetting scheme in place in the EU. See the EU polluter pays Member State factsheets for more examples of other polluter pays instruments in each Member State.

LUXEMBOURG

BIODIVERSITY OFFSETTING AND THE ECO-POINTS REGIME

In 2018, Luxembourg introduced a biodiversity offsetting (or ecological compensation) regime based around the concept of eco-points (paid per m²). The principle of ecological compensation is based on the obligation to compensate for ecological damage caused by private or public buildings or facilities. Developers are required to pay an amount equal to the difference between the total eco-points of their site before development and its residual points after development. The amount raised goes into a national or regional funding pool, from which conservation efforts are financed. To ensure a degree of (relative) internalisation, eco-points are awarded a 'basic eco-points score' ranging from 1 (for roadways) to 64 (e.g. for species-rich grassland on silicate mountain substrates). The scores are based on a list of 104 different habitat types produced by the government (with the help of the list in the EU Habitats Directive). For a particular site, an 'adjustment factor' (ranging between 0.75 and 1.25) is applied to the basic eco-point score to reflect habitat quality. Another 'correction factor' (ranging from 5 to 10) is added if development is permitted on sited protected by the EU Nature Directives

What it does

The biodiversity offsetting and eco-points scheme seeks to prevent any net loss of biodiversity. An offsetting measure is equivalent to actions to restore or create biotopes or habitats, which must be complemented by conservation management measures (e.g. extensive grazing, orchard pruning) to ensure environmental performance. More information can be found [here](#).

How it came about and stakeholder involvement

The biodiversity offsetting system was shaped by the [Law](#) on nature and natural resource protection (18 July 2018), the [Regulation](#) instituting a digital assessment and evaluation system for the compensation in eco-points (1 August 2018), and the [Regulation](#) determining the list of habitats relevant to the offsetting system (1 August 2018).

Developers are responsible for funding compensatory measures. The funds are poured in two types of compensation pools: a national one, managed by the Nature and Forestry Administration (ANF), and regional compensation pools, managed by municipalities



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