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Proposal for a

COUNCIL IMPLEMENTING DECISION

**amending Implementing Decision (EU) (ST 10155/21 INIT; ST 10155/21 ADD1) of 13
July 2021 on the approval of the assessment of the recovery and resilience plan for
Luxembourg**

{SWD(2024) 197 final}

Proposal for a

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amending Implementing Decision (EU) (ST 10155/21 INIT; ST 10155/21 ADD1) of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Luxembourg

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility¹, and in particular Article 20(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Following the submission of the national recovery and resilience plan ('RRP') by Luxembourg on 30 April 2021, the Commission has proposed its positive assessment to the Council. The Council approved the positive assessment by means of the Council Implementing Decision of 13 July 2021². That Council Implementing Decision was amended on 17 January 2023³.
- (2) On 16 May 2024, Luxembourg submitted a modified national RRP, including a REPowerEU chapter in accordance with Article 21c of Regulation (EU) 2021/241, to the Commission.
- (3) The modified RRP includes a reasoned request to the Commission to amend the Council Implementing Decision in accordance with Article 21(1) of Regulation (EU) 2021/241 considering the RRP to be partially no longer achievable due to objective circumstances. The modifications to the RRP submitted by Luxembourg concern four measures.
- (4) On 14 July 2023, the Council addressed recommendations to Luxembourg in the context of the European Semester. The Council recommended that Luxembourg winds down the energy support measures; ensures prudent fiscal policy; preserves nationally financed public investment and ensures effective absorption of RRF grants and other EU funds; continues to pursue a medium-term fiscal strategy of gradual and sustainable consolidation beyond 2024, combined with investments and reforms

¹ OJ L 57, 18.2.2021, p. 17.

² ST 10155/21; ST 10155/21 ADD 1.

³ ST 16022/22.

conducive to higher sustainable growth; reduced risks related to the housing market; addresses the long-term sustainability of the pension system; increases action to effectively tackle aggressive tax planning; and improves the performance and equity of the school education system. As regards energy, the Council recommended that Luxembourg reduces reliance on fossil fuels by accelerating the deployment of renewables, electricity transmission capacity, easing permitting procedures and investing in energy efficiency; supports municipalities in developing detailed local plans for renewable energy and district heating and cooling systems; promotes electrification of transport and invests in public transport; and steps up policy efforts regarding the skills needed for the green transition.

- (5) Having assessed progress in the implementation of all relevant country-specific recommendations at the time of submission of the modified national RRP, the Commission finds that substantial progress has been achieved with respect to the 2023 recommendations on accelerating the deployment of renewable energy and the 2020 recommendation on mitigating the COVID-19 crisis impact on employment.
- (6) The submission of the modified RRP followed a consultation process, conducted in accordance with the national legal framework, involving authorities and social partners. The summary of the consultations was submitted together with the modified national RRP. Pursuant to Article 19 of Regulation (EU) 2021/241, the Commission assessed the relevance, effectiveness, efficiency and coherence of the modified RRP, in accordance with the assessment guidelines set out in Annex V to that Regulation.

Amendments based on Article 21 of Regulation (EU) 2021/241

- (7) The amendments to the RRP submitted by Luxembourg because of objective circumstances concern four measures.
- (8) Luxembourg has explained that one measure, the “Project “Neischmelz” in Dudelange – renewable energy” is no longer achievable within the RRF lifetime, because of unexpected delays in construction works since a rare biotope was found on the construction site. This concerns, respectively, milestone 1C-4, milestone 1C-5, milestone 1C-6, target 1C-7 and milestone 1C-8 under component “1C – Increase of supply of affordable and sustainable public housing”. Moreover, another measure, “Investment 2: Telemedicine solution for remote medical follow-up of patients”, is no longer achievable in the same way due to the unavailability of the proprietary IT solution initially envisaged, and changed circumstances after the end of the COVID-19 crisis. This concerns, respectively, milestone 1B-8 under component 1B: Reinforcement of resilience of health system”. On this basis, Luxembourg has requested to remove the Investment under component 1C and amend Investment 2 under component 1B. The Council Implementing Decision of 13 July 2021 should be amended accordingly.
- (9) Luxembourg has further requested to use the resources freed up by the removal of the Investment under component 1C and modification of Investment 2 under component 1B under Article 21 of Regulation (EU) 2021/241, for a total amount of EUR 18 884 883 to increase the level of implementation of “Investment 2: Promotion of zero-emission and active mobility” of the REPowerEU chapter. The Council Implementing Decision of 13 July 2021 should be amended accordingly.
- (10) Luxembourg explained that three measures should be modified to implement better alternatives in order to achieve their original ambition. This concerns milestones 3B-5 and 3B-6 of “Investment 2: Development of MyGuichet – Project 1/3 – Virtual

appointment” and 3B-11 and 3B-12 of “Investment 3: eADEM” under component “3B: Modernisation of public administration”. The modifications remove unnecessary details of the measure descriptions, which do not contribute to reaching the objectives of these measures, in order to reduce unjustified administrative burden.

- (11) The Commission considers that the reasons put forward by Luxembourg justify the amendments pursuant to Article 21(2) of Regulation (EU) 2021/241.

The REPowerEU chapter based on Article 21c of Regulation 2021/241

- (12) The REPowerEU chapter includes one new reform and three new investments. Reform “National biogas strategy” revises Luxembourg’s support scheme for electricity and biogas production and contributes to the objective of increasing the production and uptake of sustainable biomethane. Investment 1 is a financial support scheme for energy renovation and construction projects for housing. It aims to boost energy efficiency in buildings and increase the share and accelerate the deployment of renewable energy. Investment 2 is a financial support scheme for the purchase of zero emission vehicles and bicycles, contributing to the objective of supporting zero-emission transport. Investment 3 is a financial support scheme for enterprises installing photovoltaic power plants for self-consumption, facilitating deployment of renewable energy. Deployment of renewable energy and better energy efficiency contribute to the reduction of vulnerabilities during the coming winter seasons.
- (13) The Commission has assessed the modified RRP including the REPowerEU chapter against the assessment criteria laid down in Article 19(3) of Regulation 2021/241.
- (14) The distribution of milestones and targets in instalments should be modified to take into account the new REPowerEU allocation, the amendments to the plan and the indicative timeline presented by Luxembourg.

Balanced response contributing to the six pillars

- (15) In accordance with Article 19(3), point (a), of and Annex V, criterion 2.1, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter represents to a large extent (Rating A) a comprehensive and adequately balanced response to the economic and social situation, thereby contributing appropriately to all of the six pillars referred to in Article 3 of that Regulation, taking into account the specific challenges faced by and the financial allocation for the Member State concerned.
- (16) The original RRP represented a comprehensive and adequately balanced response (rating A) to the economic and social situation at the time, contributing appropriately to all of the six pillars referred to in Article 3 of Regulation (EU) 2021/241.
- (17) The modified RRP including the REPowerEU chapter continues to cover in a comprehensive manner the six pillars and contains a significant number of components supporting more than one pillar. In spite of the investment taken out of the original RRP on the basis of Article 21 of Regulation (EU) 2021/241, the range of actions of the modified RRP including the REPowerEU chapter corresponds to the objectives of the Recovery and Resilience Facility established by that Regulation (the ‘Facility’) with an appropriate overall balance between pillars due to measures reintroduced into the REPowerEU chapter under Article 21c(3) of that Regulation. In particular, the measures included in the REPowerEU chapter contribute to the pillars of green transition, smart, sustainable and inclusive growth, and social and territorial cohesion.

Addressing all or a significant subset of challenges identified in country-specific recommendations

- (18) In accordance with Article 19(3), point (b), of and Annex V, criterion 2.2, to Regulation (EU) 2021/241, the modified RRP is expected to contribute to effectively addressing all or a significant subset of challenges (Rating A) identified in the relevant country-specific recommendations addressed to Luxembourg, including fiscal aspects thereof, or challenges identified in other relevant documents officially adopted by the Commission in the context of the European Semester.
- (19) Having assessed progress in the implementation of all relevant country-specific recommendations as part of the 2024 European Semester, the Commission finds that the substantial progress has been achieved with respect to 2023 recommendation on accelerating the deployment of renewable energy and 2020 recommendation on mitigating the COVID-19 crisis impact on employment.
- (20) The modified RRP includes an extensive set of mutually reinforcing reforms and investments that contribute to effectively addressing all or a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Luxembourg by the Council in the context of the European Semester, notably regarding the housing market, employment rate for older workers, sustainable transport, and skills needed for green transition.
- (21) The REPowerEU chapter addresses the challenges identified in the country-specific recommendations related to energy policy and the green transition. In particular, the REPowerEU chapter measures – the reform of the framework for sustainable biogas and investments providing financial support for energy efficiency and renewable energy projects in housing, zero emission mobility, and small scale photovoltaic installations – directly address 2023 recommendation 4 on the need to reduce overall reliance on fossil fuels, the particular subparts on investing in energy efficiency and promoting the electrification of transport.

Contribution to growth potential, job creation and economic, social and institutional resilience

- (22) In accordance with Article 19(3), point (c), of and Annex V, criterion 2.3, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to have a high impact (Rating A) on strengthening the growth potential, job creation, and economic, social and institutional resilience of Luxembourg, contributing to the implementation of the European Pillar of Social Rights, including through the promotion of policies for children and youth, and on mitigating the economic and social impact of the COVID-19 crisis, thereby enhancing the economic, social and territorial cohesion and convergence within the Union.
- (23) The assessment of the original RRP, in accordance with Article 19(3), point (c), of and Annex V, criterion 2.3, to Regulation (EU) 2021/241, found that the original RRP was expected to have high impact on strengthening the growth potential, job creation, and economic, social and institutional resilience (rating A).
- (24) The modified RRP continues to include significant investments and reforms to address vulnerabilities of the economy and economic cohesion. This includes a reform to improve accessibility to housing; reforms and investments in a more efficient healthcare system; measures to increase labour market participation; and investments in digitalisation of public administration.

- (25) Social cohesion is strengthened through the upskilling and reskilling measures, in particular the investment targeting older workers, and addressing gaps in access to healthcare, thus contributing to the implementation of the European Pillar of Social Rights.

Do no significant harm

- (26) In accordance with Article 19(3), point (d), of and Annex V, criterion 2.4, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to ensure that no measure (Rating A) for the implementation of reforms and investments projects included in this RRP does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council⁴ (the principle of ‘do no significant harm’).
- (27) The modifications of the measures included in the original RRP do not have an impact on the assessment of the principle of ‘do no significant harm’ which remains identical.
- (28) The modified RRP including the REPowerEU chapter is assessed to be compliant with the principle of ‘do no significant harm’ following the methodology set out in the Technical Guidance in the Commission Notice (2021/C58/01). The assessment concludes that, for all new measures under the REPowerEU chapter, there is either no risk of significant harm or, where a risk is identified, a more detailed assessment is performed demonstrating the absence of significant harm. Where needed, the requirements of compliance with the principle of ‘do no significant harm’ are enshrined in the design of a measure.

Contribution to the REPowerEU objectives

- (29) In accordance with Article 19(3), point (da), of and Annex V, criterion 2.12, to Regulation (EU) 2021/241, the REPowerEU chapter is expected to effectively contribute to a large extent (Rating A) to energy security, the diversification of the Union’s energy supply, an increase in the uptake of renewables and in energy efficiency, an increase of energy storage capacities or the necessary reduction of dependence on fossil fuels before 2030.
- (30) The implementation of the envisaged measures is expected to effectively contribute to energy efficiency, deployment of renewable energy and zero-emission transport. The reform on the sustainable biogas strategy addresses the objective of increasing the production and uptake of sustainable biomethane. The investment in housing energy renovation aims to boost energy efficiency in buildings and increase the share and accelerate the deployment of renewable energy. The deployment of renewable energy is also the objective of the investment in photovoltaic installations in enterprises for self-consumption. The investment providing financial support to people buying zero-emission vehicles contributes to the objective of supporting zero-emission transport.
- (31) The REPowerEU chapter is consistent with Luxembourg’s commitment to reduce greenhouse gas emissions. The measures on sustainable housing and transport reinforce those included in the original RRP.

⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

- (32) The REPowerEU chapter also addresses the need to diversify away from fossil fuels by accelerating the deployment of renewable energy, thus increasing Luxembourg's security of supply of energy.

Measures having a cross-border or multi-country dimension or effect

- (33) In accordance with Article 19(3), point (db), of and Annex V, criterion 2.13, to Regulation (EU) 2021/241, the measures included in the REPowerEU chapter are expected to a large extent (Rating A) to have a cross-border or multi-country dimension or effect.
- (34) The REPowerEU chapter contributes to securing energy supply in the Union as a whole, including by addressing challenges identified in the Commission's most recent needs assessment, in line with the objectives set out in Article 21c(3), taking into account the financial contribution available to Luxembourg. The measures included in the REPowerEU chapter contribute to reducing Luxembourg's reliance on imported energy and fossil fuels by developing additional renewable energy capacity. The REPowerEU chapter also contributes to reducing dependency on fossil fuels and to reducing energy demand by supporting energy renovation of residential buildings and further enabling sustainable transport.
- (35) The total estimated costs of these measures account for a total of EUR 94 million, representing 53 % of the estimated costs of the REPowerEU chapter, above the indicative target of 30 %.

Contribution to the green transition including biodiversity

- (36) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter, contains measures that contribute to a large extent (Rating A) to the green transition, including biodiversity, or to addressing the challenges resulting therefrom. The measures supporting climate objectives account for an amount which represents 80.1 % of the RRP's total allocation and 90.3 % of the total estimated costs of measures in the REPowerEU chapter calculated in accordance with the methodology set out in Annex VI to that Regulation. In accordance with Article 17 of Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is consistent with the information included in the National Energy and Climate Plan 2021-2030 and its draft update of 2023.
- (37) The impact of the removed and modified measures on the overall ambition of the RRP regarding the green transition is limited, since the allocation of the removed measure is used for the REPowerEU chapter measures. The REPowerEU chapter makes a significant contribution to supporting further the green transition of Luxembourg, as all new reforms and investments contribute to this objective. The reform and the investments aim to reduce the reliance on fossil fuels, increase energy efficiency, accelerate the deployment of renewable energies, and support zero emission transport.
- (38) The modified RRP including the REPowerEU chapter continues to significantly contribute to the green transition, including biodiversity, as well as to the achievement of the Union 2030 climate targets while complying with the objective of EU climate neutrality by 2050.

Contribution to the digital transition

- (39) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the modified RRP contains measures that contribute to a

large extent to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 37.5 % of the modified RRP's total allocation calculated in accordance with the methodology set out in Annex VII of that Regulation.

- (40) The modified RRP continues to significantly contribute to the digital transition through several investments digitalizing public administration and healthcare, and through development of ultra-secure communication infrastructure based on quantum technology.

Lasting impact

- (41) In accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter is expected to have a lasting impact on Luxembourg to a large extent (Rating A).
- (42) The assessment of the original RRP, in accordance with Article 19(3), point (g), of and Annex V, criterion 2.7, to Regulation (EU) 2021/241, found that the original RRP was expected to have a lasting impact on Luxembourg to a large extent (rating A).
- (43) The modified RRP continues to focus on innovative and sustainable economic activities with significant exploitation potential. The REPowerEU chapter, in addition to the existing measures, is also expected to have lasting positive effects on Luxembourg's economy and further boost its green transition. Investments in renewable energy, energy efficiency and electrification of transport are expected to have a lasting impact on the reduction of greenhouse gas emissions and reliance on fossil fuels. The reform will leave a lasting impact by improving the framework conditions for sustainable biogas production.

Monitoring and implementation

- (44) In accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241, the arrangements proposed in the modified RRP including the REPowerEU chapter are adequate (Rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.
- (45) The assessment of the original RRP, in accordance with Article 19(3), point (h), of and Annex V, criterion 2.8, to Regulation (EU) 2021/241 found that the original RRP was adequate (rating A) to ensure effective monitoring and implementation of the RRP, including the envisaged timetable, milestones and targets, and the related indicators.
- (46) The nature and extent of the proposed modifications to Luxembourg's RRP do not have an impact on the previous assessment of the effective monitoring and implementation of the RRP. In particular, the milestones and targets that accompany the modified and new measures, including those in the REPowerEU chapter, are clear and realistic and the proposed indicators for those milestones and targets are relevant, acceptable and robust. Milestones and targets are also relevant for measures already completed which are eligible under Article 17(2) of Regulation (EU) 2021/241. The satisfactory fulfilment of these milestones and targets over time is required to justify a disbursement request.

Costing

- (47) In accordance with Article 19(3), point (i), of and Annex V, criterion 2.9, to Regulation (EU) 2021/241, the justification provided in the modified RRP including the REPowerEU chapter on the amount of the estimated total costs of the RRP is to a

medium extent (Rating B) reasonable and plausible, is in line with the principle of cost efficiency and is commensurate to the expected national economic and social impact.

- (48) For the costing assessment of the revised plan, the justification provided by Luxembourg on the amount of the cost modifications of the recovery and resilience plan is to a reasonable extent plausible, in line with the principle of cost-efficiency and is commensurate to the expected national economic and social impact.
- (49) For the measures in the REPowerEU chapter, the assessment of the cost estimates and supporting documents shows that most of the costs are reasonable and plausible. Full costs demonstration was provided for the new measures. Finally, the estimated total cost of the RRP is in line with the principle of cost-efficiency and is commensurate to the expected national economic and social impact.

Protection of the financial interests of the Union

- (50) In accordance with Article 19(3), point (j), of and Annex V, criterion 2.10, to Regulation (EU) 2021/241, the arrangements proposed in the modified RRP including the REPowerEU chapter are adequate (Rating A) to prevent, detect and correct corruption, fraud and conflicts of interests when using the funds provided under that Regulation, and the arrangements are expected to effectively avoid double funding under that Regulation and other Union programmes. This is without prejudice to the application of other instruments and tools to promote and enforce compliance with Union law, including for preventing, detecting and correcting corruption, fraud and conflicts of interest, and for protecting the Union budget in line with Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council⁵.
- (51) The original assessment had concluded that the control and audit arrangements proposed by Luxembourg were adequate (rating A) under criterion 2.10 of Annex V of the RRF Regulation, subject to the timely fulfilment of two milestones relating to a repository system for monitoring the implementation of the RRF and the finalisation of the implementation of further procedures for the protection of the EU's financial interests, which were assessed positively subject to a commitment during the approval of the first payment request. The Directorate for Economic and Budgetary Affairs within the Ministry of Finance has overall responsibility for the implementation of the RRP and is responsible on behalf of all implementing bodies for the operational and administrative aspects of the RRP. The audit authority for the RRF, the Inspectorate General of Finance (IGF), is responsible for carrying out system audits to verify the effective operation of the control system, as well as audits of operations to provide assurance on the achievement of milestones and targets.
- (52) Since the original assessment, the Commission has had access to information on the Luxembourg audit and control system's actual implementation. This includes the findings of the audit on the protection of the financial interests of the Union performed by the Commission in Luxembourg.
- (53) In light of this information, the Commission considers that the internal control system of the Luxembourg RRP is overall adequate. Luxembourg has revised its (a) procedures on conflict of interest, detection of irregularities, monitoring of

⁵ Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1).

expenditure, double funding, public procurement, and grants; and (b) updated the internal procedures of the coordinating body, in the light of the observations made during the audits to make them more appropriate and proportionate to the protection of the EU's financial interests. Furthermore, the audit body of Luxembourg has revised its audit strategy.

Coherence of the RRP

- (54) In accordance with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241, the modified RRP including the REPowerEU chapter includes to a high extent (Rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.
- (55) The assessment of the original RRP, in accordance with Article 19(3), point (k), of and Annex V, criterion 2.11, to Regulation (EU) 2021/241, considered the original RRP included to a high extent (rating A) measures for the implementation of reforms and public investment projects that represent coherent actions.
- (56) The modifications made to the existing RRP components do not alter the overall coherence of the RRP, taking into account the way the measures are mutually reinforcing and complementary. The additional REPowerEU chapter is consistent with the measures deployed under the initial RRP to support the green transition and further reinforces the ambition of the measures related to sustainable housing and electrification of transport. The REPowerEU chapter includes a consistent mix of a reform and three investments that are mutually reinforcing and complementary.

Consultation process

- (57) Luxembourg has carried out additional consultations of stakeholders in the context of the amendment of the RRP and for the preparation of the REPowerEU chapter, involving the social partners.

Positive assessment

- (58) Following the positive assessment of the Commission concerning the modified RRP including the REPowerEU chapter, with the finding that the plan satisfactorily complies with the criteria for assessment set out in Regulation (EU) 2021/241, in accordance with Article 20(2) of and Annex V to that Regulation, the reforms and investment projects necessary for the implementation of the modified RRP including the REPowerEU chapter, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the modified RRP including the REPowerEU chapter in the form of non-repayable financial support should be set out.

Financial contribution

- (59) The estimated total costs of the modified RRP including the REPowerEU chapter of Luxembourg is EUR 241 100 776. As the amount of the estimated total costs of the modified RRP is higher than the updated maximum financial contribution available for Luxembourg, the financial contribution calculated in accordance with Article 11 allocated for Luxembourg's modified RRP including the REPowerEU chapter should be equal to the total amount of the financial contribution available for Luxembourg's modified RRP including the REPowerEU chapter. This amount is equal to EUR 82 670 643.
- (60) Pursuant to Article 21a(5) of Regulation (EU) 2021/241, on 16 May 2024 Luxembourg submitted a request for the allocation of the revenue referred to in Article

21a(1) of that Regulation, shared between Member States on the basis of the indicators set out in the methodology in Annex Iva to Regulation (EU) 2021/241. The estimated total costs of the measures referred to in Article 21c(3), points (b) to (f) included in the REPowerEU chapter is EUR 176 746 699. As this amount is higher than the allocation share available for Luxembourg, the additional non-repayable financial support available for Luxembourg should be equal to the allocation share. This amount is equal to EUR 29 955 009.

- (61) Additionally, in accordance with Article 4a of Regulation (EU) 2021/1755⁶, on 28 February 2024 Luxembourg submitted a reasoned request to transfer all its remaining provisional allocation from the resources of the Brexit Adjustment Reserve to the Facility, amounting to EUR 128 475 124. That amount should be made available to support the reforms and investments in the REPowerEU chapter as additional non-repayable financial support.
- (62) The total financial contribution available to Luxembourg should be EUR 241 100 776.
- (63) Council Implementing Decision of 13 July 2021 on the approval of the assessment of the RRP for Luxembourg should therefore be amended accordingly. For the sake of clarity, the Annex to that Implementing Decision should be replaced entirely,

HAS ADOPTED THIS DECISION:

Article 1

Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan is amended as follows:

- (1) Article 1 is replaced by the following:

“Article 1

Approval of the assessment of the RRP

The assessment of the modified RRP of Luxembourg on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved. The reforms and investment projects under the RRP, the arrangements and timetable for the monitoring and implementation of the RRP, including the relevant milestones and targets, the relevant indicators relating to the fulfilment of the envisaged milestones and targets, and the arrangements for providing full access by the Commission to the underlying relevant data are set out in the Annex to this Decision.”;

- (2) In Article 2, paragraphs 1 and 2 are replaced by the following:

“1. The Union shall make available to Luxembourg a financial contribution in the form of non-repayable support amounting to EUR 241 100 776⁷. That contribution includes:

- (a) an amount of EUR 76 625 886 that shall be available to be legally committed by 31 December 2022;

⁶ Regulation (EU) 2021/1755 of the European Parliament and of the Council of 6 October 2021 establishing the Brexit Adjustment Reserve (OJ L 357 8.10.2021, p. 1).

⁷ This amount corresponds to the financial allocation after deduction of the Luxembourg’s proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Article 11 of that Regulation.

- (b) an amount of EUR 6 044 757 that shall be available to be legally committed from 1 January 2023 until 31 December 2023;
- (c) an amount of EUR 29 955 009⁸, in accordance with Article 21a(6) of Regulation (EU) 2021/241, exclusively for measures referred to in Article 21c of that Regulation, with the exception of measures referred to in Article 21c (3), point (a);
- (d) an amount of EUR 128 475 124, transferred from the Brexit Adjustment Reserve to the Facility.

2. The Union financial contribution shall be made available by the Commission to Luxembourg in instalments in accordance with the Annex to this Decision. An amount of EUR 12 136 030 shall be made available as pre-financing in accordance with Article 13 of Regulation (EU) 2021/241

The pre-financing and instalments may be disbursed by the Commission in one or several tranches. The size of the tranches shall be subject to the availability of funding.”;

(3) The Annex is replaced by the text in the Annex to this Decision:

Article 2
Addressee

This Decision is addressed to Grand Duchy of Luxembourg.

Done at Brussels,

For the Council
The President

⁸ This amount corresponds to the financial allocation after deduction of the Luxembourg’s proportional share of the expenses of Article 6(2) of Regulation (EU) 2021/241, calculated in accordance with the methodology of Annex IVa of that Regulation.



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COMMISSION

Brussels, 23.7.2024

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ANNEX

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Proposal for a COUNCIL IMPLEMENTING DECISION

**amending Implementing Decision (EU) (ST 10155/21 INIT; ST 10155/21 ADD 1) of 13
July 2021 on the approval of the assessment of the recovery and resilience plan for
Luxembourg**

{SWD(2024) 197 final}

ANNEX

SECTION 1: REFORMS AND INVESTMENTS UNDER THE RECOVERY AND RESILIENCE PLAN

1. Description of Reforms and Investments

A. COMPONENT 1A: Skilling, Upskilling and Reskilling

The component Skilling, Reskilling and Upskilling of Luxembourg's recovery and resilience plan is a response at the same time to the crisis-induced increase in the level of unemployment, the long-standing challenge of the skills shortages on the labour market, and increasingly widespread recourse to teleworking, entailing organisational changes and a stronger demand mainly for digital skills. A training programme, the FutureSkills programme, provides skills to jobseekers, with a dedicated target for jobseekers aged 45 years and over. A complementary reform shall deliver a training action plan laying down paths for vocational trainings ("Skillsbridges") designed to provide skills identified as the most needed for the future.

The component contributes to addressing Country-Specific Recommendation 1 of 2019 to enhance employability of older workers, Country-Specific Recommendation 3 of 2019 to stimulate skills development, and Country-Specific Recommendation 2 of 2020 to mitigate the employment impact of the crisis, with special consideration for people in a difficult labour market position.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

A.1. Description of the reforms and investments for non-repayable financial support

Reform: Skillsdësch

Under a broader initiative aimed at developing a skills strategy, and promoting continued and vocational training, a collaborative procedure entailing round-table debates on skills led by all stakeholders ("Skillsdësch") has been conducted to analyse the demand for skills, and to identify the most promising job profiles. The resulting action plan shall define dedicated training paths called "skillsbridges" helping workers and job seekers to enhance their employability during the green and digital transition. The vocational trainings thus conceived shall be launched in the second quarter 2022.

Investment 1: FutureSkills

In the same context, the FutureSkills programme provides sought-after soft, digital, and managerial skills to selected and motivated job seekers so as to facilitate their short-term re-integration on the labour market, and mobility. The programme sets a dedicated target for job seekers aged 45 year and more to help reduce the widespread early retirements and to improve

skills. Contents generated by the programme shall be put at the disposal of a larger population of job seekers over a longer horizon.

A.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)				Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year		
1A-1	Reform 1 - Skillsdösch	Milestone	Launch of « Skillsdösch »	Official launch of the “Skillsdösch” process during the meeting of the Tripartite Coordination Committee				Q3	2020	Launch by the Tripartite Coordination Committee of the collaborative round-table process (“Skillsdösch”) to analyse the demand for skills, and to identify the most promising job profiles	
1A-2	Reform 1 - Skillsdösch	Milestone	Launch of the vocational trainings (« skillsbridges »)	Official launch of training by opening registrations for interested participants				Q2	2022	Vocational trainings designed under the Skillsdösch process are officially launched by opening them for registration by interested participants	
1A-3	Investment 1 - FutureSkills	Milestone	Agreement by partners on the “operational phase”	Signing of agreement				Q1	2021	Signing by the programme partners (Ministry of Labour, Employment, and Social and Solidary Economy, Chamber of Commerce, House of Training, and Chamber of Employees) of the agreement on the “operational phase” of the “FutureSkills” programme	
1A-4	Investment 1- FutureSkills	Target	Participants of FutureSkills aged more than 45 years		Number of persons	0	150	Q4	2021	150 job seekers aged more than 45 years (30% of the total of 500 participants) have participated in the “FutureSkills” training	

1A-5	Investment 1 - FutureSkills	Target	Participants of FutureSkills		Number of persons	150	440	Q4	2021	A total of 440 job seekers have participated in the “FutureSkills” training
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B. COMPONENT 1B: Reinforcement of resilience of health system

This component of Luxembourg's recovery and resilience plan includes two reforms and two investments aimed at addressing some of the structural problems of the health sector in Luxembourg: the lack of health professionals and the need to increase the efficiency of the health system, notably through its digitalisation. The first reform addresses the governance of the health system and outlines the consultation process with stakeholders and the working programme method to address a number of pre-identified challenges. The objective of the second reform is to redefine and broaden the competences of the different professionals. The investments shall contribute to the digitalisation in the health sector with (i) the implementation of a digital register of health professionals for a better management and anticipation of the healthcare coverage, and the healthcare professionals needed, and (ii) the development of solutions for telemedicine.

This component is a response to the Country-Specific Recommendation of 2020 to improve the resilience of the health system, consisting on ensuring appropriate mobilisation of available health workers, by improving the governance of the system, and e-Health.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

B.1. Description of the reforms and investments for non-repayable financial support

Reform 1: Gesondheetsdësch

Luxembourg has launched a consultation process ("Gesondheetsdësch") among the ministries, health insurance managers, doctors and health professional representatives to modernise the governance of the health sector and respond to a number of pre-identified challenges in six thematic work areas. The reforms and investments presented in Luxembourg's recovery and resilience plan - reforming the competences of health professionals, creating a digital register of health professionals and developing telemedicine solutions, are based on the outcomes of this consultation. The other work streams of this process cover also very important areas related to resilience of the health system (especially enhancing primary care, integrated care, health promotion, sustainable financing of healthcare), but do not translate into commitments in the plan, except for the publication of a work programme for the implementation of the results of the Gesondheetsdësch process.

Reform 2: Reform of regulation of competences of healthcare professionals

This reform aims at recasting the competences of a number of health professionals in order to increase the attractiveness of health professions, create conditions for task-shifting, and respond to the shortage of care practitioners in a context of increasing demand for care. New professional categories among health professionals (such as advanced nurse practitioners and specialised nurses), as well as an intermediate level between nurses and care assistants shall also be created.

The first professions to be targeted by this redefinition of competences are nurses and care assistants. The legislation adopted to this respect shall enter into force by 30 September 2025.

The same process shall be carried out for the other health professions (including specialised nurses, therapists, midwives, social workers and dieticians), for which needs shall have been identified in the roadmap to be published by at the latest by 30 June 2024. The legislation adopted to this respect shall enter into force by 31 December 2025.

Investment 1: Single digital register of healthcare professionals

The purpose of this investment is to set up a single digital register for health professions, collecting administrative and professional data, in order to manage data on health professionals in Luxembourg (the number of doctors, their specialities, areas of expertise, their age distribution, their territorial distribution...), forecast needed professions and skills (short to medium-term demographic projections by speciality and geographic areas) and mobilise staff during crises. This tool shall also allow the management of professional licences and shall respond to the legal obligation to keep professional data up to date. The project shall be completed by 31 March 2023.

Investment 2: Telemedicine solution for remote medical follow-up of patients

This investment is directed towards the development of remote medical monitoring (telemedicine) by the second quarter of 2023. It shall include a system of teleconsultations implemented during the COVID-19 pandemic by the eHealth agency in March 2020 ('Maela'), enabling remote monitoring between doctors, dentists or midwives and patients) and an internally developed solution. The internally developed solution shall allow the health authorities to create and manage electronically the medical files of asylum seekers and people under international protection. It shall have functionalities allowing to exchange medical data and prescriptions and organise medical consultations. Whilst used for asylum seekers and people under international protection, this solution shall be adaptable to be deployed for the general population in case of future health crises (e.g. for COVID-19 centres).

B.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
1B-1	Reform 1 – Strengthening health system resilience — Gesondheitsdösch	Milestone	Kick-off and preparatory phase of the Gesondheitsdösch process with the aim to address the six thematic priorities.	Start of the consultation process				Q3	2020	First kick-off meeting and launch of the preparatory phase of Gesondheitsdösch process with the aim to address the six thematic priorities (1. Better complementarity between inpatient and outpatient sectors; 2. Improving relations between patients and care providers; 3. Demography of medical and nursing staff: levers to prevent a shortage; 4. Prevention in the health sector; 5. Use of new technologies in health care; 6. Financing the health system: financial sustainability of the system.
1B-2	Reform 1 – Strengthening health system resilience — Gesondheitsdösch	Milestone	Work programme	Publication of the work programme				Q4	2021	Publication of the work programme to guide the implementation of the "Gesondheitsdösch" programme, with the aim of establishing a structural framework to accommodate policy discussions on the health system. This work programme shall be developed by the six

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
										<p>Gesondheitsdösch working groups :</p> <p>WG1: Better complementarity between inpatient and outpatient sectors</p> <p>WG2: Improving relations between patients and care providers</p> <p>WG3: Demography of medical and nursing staff: levers to prevent a shortage</p> <p>WG4: Prevention in the health sector: towards a paradigm shift</p> <p>WG5 : Use of new technologies in health care</p> <p>WG6 : Financing the health system: financial sustainability of the system</p>
1B-3	Reform 2 – Strengthening Health System Resilience — Reforming the remit of health professionals	Milestone	Publication of a roadmap for the implementation of the reform of the responsibilities of health professionals	Publication of a roadmap for the implementation of the reform				Q1	2022	Publication of a roadmap for the implementation of the reform of the responsibilities of health professionals with the aim of redefining in general the competencies, tasks and responsibilities between doctors,

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
										nurses, caregivers and other health professions referred to in the list in Article 1 of the 1992 Law.
1B-4	Reform 2 – Strengthening Health System Resilience — Reforming the remit of health professionals	Milestone	Competences, tasks and responsibilities of nurses and nursing assistants	Entry into force of law				Q3	2025	Entry into force of the law on the recasting of the competences, missions and attributions of nurses and nursing assistants
1B-5	Reform 2 – Strengthening Health System Resilience — Reforming the remit of health professionals	Milestone	Competences, tasks and assignments of other health professions (including specialised nurses, therapists, midwives, social workers and dieticians)	Entry into force of law				Q4	2025	Entry into force of the law on the recasting of the competences, missions and attributions of the other health professions (including specialised nurses, therapists, midwives, social workers and dieticians)
1B-6	Investment 1 - Strengthening Health System Resilience — Single Digital Register of Health Professions	Target	Making available the new digital register		Number of persons	0	5000	Q4	2022	The single digital register of health professions, which collects relevant administrative and professional information allowing for a better management of health professionals, is operational and has 5 000 registered professionals
1B-7	Investment 2-	Milestone	“Maela”	The remote-monitoring				Q1	2021	The remote-monitoring solution “Maela” allowing remote

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	Strengthening health system resilience — Telemedicine solution for remote medical follow-up of patients			solution “Maela” allowing remote medical monitoring between health professionals (including doctors and nurses) and patients is operational						medical monitoring between health professionals (including doctors and nurses) and patients shall be operational with 3000 remote monitoring protocols carried out between 23/03/2020 and 07/02/2021.
1B-8	Investment 2- Strengthening health system resilience — Telemedicine solution for remote medical follow-up of patients	Milestone	An integrated solution	The remote monitoring solution “Maela” is replaced by an internally developed solution.				Q2	2023	The new internally developed monitoring solution allows the creation and management of patient health data as well as remote collaboration through the teleconsultation platform for the initial medical follow-up of asylum seekers and people under international protection by medical professionals of the national health directorate.

C. COMPONENT 1C – Increase of supply of affordable and sustainable public housing

The objective of this component of Luxembourg's recovery and resilience plan is to develop housing and increase the supply of affordable and sustainable housing in Luxembourg.

As part of this component, the 'Housing Pact 2.0' reform puts in place a new reference framework for governmental support to municipalities for the creation of new housing projects, through the construction of new buildings or the renovation of the existing building stock.

Through the Housing Pact 2.0 measure, this component contributes to addressing the Country-Specific Recommendation addressed to Luxembourg to 'foster economic policy related to investment on (...) increasing housing supply, including by increasing incentives and lifting barriers to build' (Country-Specific Recommendation 3 2019).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

C.1. Description of the reforms and investments for non-repayable financial support

Reform: Housing Pact 2.0

In Luxembourg, a high degree of private property concentration and little incentives to release land for development limit the ability of public authorities to tackle the chronic under-supply of housing, which continues driving up prices in the face of the strong population growth. Meanwhile, household indebtedness continues to increase and amounts to 170% of GNI in 2018 (most of which is mortgage debt and is unevenly distributed, making the poorer households relatively more vulnerable).

Against this backdrop, this reform shall put in place a 'Housing Pact 2.0', as a reference framework to encourage municipalities to mobilise land for construction, and dwellings for renovation, in order to increase social housing in view of the lack of affordable housing; and to encourage the construction of schools and nurseries to cope with the growing population. This scheme builds on the lessons learned from the 'Housing Pact 1.0', which has been in force since 2008.

Under the Housing Pact 2.0, each municipality may engage by signing an 'initial convention' with the State, which allows the municipality to be assisted by a 'housing counsellor'. If it does so, the municipality shall then set up and adopt its own municipal strategy for housing development ('Programme d'action local logement' or PAL). Municipalities shall then sign an 'implementation convention' with the State, which entails an obligation for the municipality to implement the development projects detailed in the PAL, with financial support from the State on the basis of the affordable housing units placed on the rental market in the previous year.

The Housing Pact 2.0 shall take into account the development priorities set out in the sectoral plans and the new national Master Programme for Spatial Planning (PDAT), and to the extent the number of signing municipalities allows, contribute to a coherent land use development at the national level, with a view to sustainably increase the housing supply. The reform aims to place on the market at least 1200 housing units by 2025.

While most municipalities had signed an agreement under the Housing Pact 1.0, this has not resulted in a noticeable increase in the supply of social housing. Compared to its predecessor, the Housing Pact 2.0 shall provide that the financial envelope available for State transfers to municipalities is calculated on the basis of the number of affordable housing units in their territory placed on the rental market during the previous year (either through construction or acquisition and renovation), and no longer on the basis of population growth. In addition, the financial contributions granted to municipalities shall be paid on the basis of the implementation of projects approved under the Housing Pact 2.0 and aimed at achieving its objectives. A closer cooperation between the State and municipalities is a key objective of the reform, aimed at strengthening the public sector capacity to increase meaningfully the public residential stock and scale up the practice of affordable and sustainable rental housing. In this sense, the draft Housing Pact 2.0 provides that between 10% and 30% of each development project shall be dedicated to affordable housing placed on the rental market. The reform offers the opportunity to meaningfully address the trend of house prices inflation, which is also considered one of the main barriers to investment and growth.

C.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
1C-1	Reform – Housing Pact 2.0	Milestone	Entry into force of the Housing Pact 2.0 Law	Entry into force	-	-	-	Q3	2021	Entry into force of the 2.0 Housing Pact Law, with the aim of increasing the supply of affordable and sustainable housing at municipal level. The aim of the Housing Pact is to draw up implementing the agreements with the municipalities enabling the implementation of a “Local Housing Action Programme”.
1C-2	Reform – Housing Pact 2.0	Target	Percentage of municipalities signing an initial agreement	-	Percentage	0	70	Q4	2023	Signature of the initial agreement with 70 % of the municipalities in Luxembourg.
1C-3	Reform – Housing Pact 2.0	Target	Percentage of municipalities signing an implementation agreement	-	Percentage	0	50	Q4	2022	Signature of the implementation agreement with at least 50 % of the municipalities in Luxembourg. This agreement specifies among others the modalities for paying the financial support the municipality is entitled to.

D. COMPONENT 2A: Decarbonisation of transport

This component of Luxembourg's recovery and resilience plan aims to contribute to the decarbonisation of the road transport sector (which accounted for 50% of Luxembourg's emissions in 2018, more than double of the EU average of 21%¹, in part due to transit transport), in particular by fostering an increased electrification of mobility.

It consists of a reform to promote the purchase of zero- or low-emission vehicles from procuring authorities and entities, and an investment to further deploy a network of charging points for electric vehicles across the country.

This component contributes to addressing the Country-Specific Recommendation addressed to Luxembourg (Country-Specific Recommendation 3 2019 and Country-Specific Recommendation 3 2020)) to 'focus investment on the green (...) transition, in particular on sustainable transport'.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

D.1. Description of the reforms and investments for non-repayable financial support

Reform: Electrification of the fleet of contracting authorities and entities, and of public transport

The Clean Vehicles Directive² provides that Member States must ensure that the procurement of light-duty and heavy-duty vehicles by contracting authorities and contracting entities comply with minimum national procurement targets for clean vehicles, over reference periods of five years (at least 38,5% of light-duty vehicles, 45% of clean buses and 10% of heavy-duty vehicles over 2021-2025).

This reform consists of going beyond that obligation by requiring, not only that the minimum targets must be achieved as a national average for all vehicles procured, but must also be achieved by each contracting authority and contracting entity individually.

In addition, the Luxembourg State as a contracting authority has set higher internal objectives for itself, and plans to fully electrify the fleet of buses operated by the public transport operator RGTR by 2030.

Investment: Support scheme for charging points

This investment aims to foster the deployment of a dense, accessible network of charging points for electric vehicles across Luxembourg, by setting up a new scheme to financially support initiatives taken by businesses to develop new charging points. This scheme is meant to complement the existing system to support charging points, in place since July 2020, and which targets initiatives by individuals. The new scheme shall support both publicly accessible

¹ Source: European Environment Agency, greenhouse gases data viewer

² Directive (EU) 2019/1161 of the European Parliament and of the Council of 20 June 2019 amending Directive 2009/33/EC on the promotion of clean and energy-efficient road transport vehicles. OJ L 188, 12.7.2019, p. 116–130

charging points, and points which are not accessible to the public (infrastructure for charging fleets of electric vehicles, and recharging at work for employees).

Based on a preliminary study, Luxembourg shall adopt a Law to set up the scheme by 31 March 2022. Project applications are expected to be processed from the first quarter of 2022, and the scheme shall be implemented until 2025.

D.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
2A-1	Reform: Electrification of the fleet of contracting authorities and of entities, and of public transport	Milestone	Grand-Ducal Regulation on the procurement of clean vehicles	Entry into force	-	-	-	Q3	2021	Entry into force of the Grand-Ducal Regulation defining the minimum percentages of clean vehicles (light vehicles, buses, heavy duty vehicles) among vehicles procured by public contracts to be achieved by each contracting authority and contracting entity over the period 2021-2025
2A-2	Investment: Support scheme for charging points	Milestone	Law on the support scheme for charging points	Entry into force	-	-	-	Q1	2022	Entry into force of the law putting in place a support scheme for charging infrastructure for electric vehicles. The support scheme shall be made available for companies, and shall support charging points accessible to the public or not.
2A-3	Investment: Support scheme for charging points	Target	Number of operational charging points	-	'Supply metric'	0	1300	Q4	2023	Number of charging points (expressed in terms of supply metric) supported by the support scheme, that are made operational. The 'supply metric' shall be calculated according to the methodology defined in Transport & Environment (2020) report 'Recharge EU: how many charge points shall Europe and its Member States need in the 2020s', however also applying the same weight for non-public charging stations as for semi-public charging stations.

2A-4	Investment: Support scheme for charging points	Target	Number of operational charging points	-	'Supply metric'	1300	2600	Q2	2025	Number of charging points (expressed in terms of supply metric) supported by the support scheme, that are made operational. The 'supply metric' shall be calculated according to the methodology defined in Transport & Environment (2020) report 'Recharge EU: how many charge points shall Europe and its Member States need in the 2020s', however also applying the same weight for non-public charging stations as for semi-public charging stations.
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E. COMPONENT 2B: Protection of environment and biodiversity

This component of Luxembourg's recovery and resilience plan aims to foster biodiversity and ecosystem protection and conservation in Luxembourg, as a way to strengthen resilience, in particular having in mind the links between human health and ecosystems health. The objectives include restoration of habitats, increasing ecologic continuity, and the resilience and restoration of ecosystems, as well as sustained awareness raising and knowledge sharing.

The component consists in one measure, which comprises some elements of reform and some elements of investments, to support municipalities' efforts in natural environment and biodiversity conservation actions. The measure proposes an action plan that prepares municipalities to address the challenges of biodiversity decline and ecosystem degradation.

While Country-Specific Recommendations addressed to Luxembourg do not refer to natural environment and biodiversity as a specific challenge for the country, this component generally contributes to the Country-Specific Recommendation 3 2020 of 'focusing investment on the green (...) transition'.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

E.1. Description of the reforms and investments for non-repayable financial support

Reform and investment: 'Naturpakt'

The proposed measure aims to put in place a national reference framework and support scheme to encourage municipalities to increasingly engage in natural environment and biodiversity protection actions. For this, the measure consists of establishing a so-called 'Naturpakt', which provides a legal, financial, technical and consultative reference framework for municipalities. The 'Naturpakt' is strongly inspired by the 'Climate Pact' already in place in Luxembourg to promote greenhouse gas emissions reduction actions by municipalities.

The 'Naturpakt' makes it possible for the State to financially support municipalities' efforts. Municipalities willing to engage must first of all sign a 'Naturpakt contract' with the State, whereby they commit to implement actions on their territory, for the period until 2030. The possible categories of actions and actions themselves are listed in a 'catalogue' published by the State – they stem from the national strategies for natural environment protection and conservation, including in relation to nature protection, hydrographic districts management and adaptation to climate change. The publication of the catalogue respecting the principle of 'do no significant harm' shall be the first milestone. Municipalities having signed the 'Naturpakt contract' benefit from the assistance of a counsellor funded in the context of the 'Naturpakt' scheme, and receive a yearly participation subsidy. Furthermore, the State covers additional costs in relation to the implementation of the 'Naturpakt', such as the costs of the technical assistance and audits.

In the first year after having signed the 'Naturpakt contract', and at least every three years thereafter, municipalities undergo an audit to determine their level of performance against the actions listed in the catalogue. Municipalities presenting a level of performance above a certain

threshold (40% of all the actions listed in the catalogue) receive a certification (called '*Naturpakt Gemeng*'), along with financial subsidies, calculated taking into account the performance (which is required to increase overtime once a certification has been reached), the area of the municipality, and the year of certification.

The Facility is expected to support the launch of this measure, by supporting the first 30 municipalities signing the '*Naturpakt* contract', and the first 15 municipalities receiving the certification, over the 2021-2025 implementation period.

E.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
2B-1	Reform and investment: 'Naturpakt'	Milestone	Finalisation of the catalogue of measures	Publication	-	-	-	Q3	2021	Publication of the adopted catalogue of measures relating natural environment and biodiversity policies in the context of the 'Naturpakt', that is in line with the DNSH principle.
2B-2	Reform and investment: 'Naturpakt'	Milestone	'Naturpakt' Law	Entry into force	-	-	-	Q4	2021	Entry into force of the Law establishing a 'Naturpakt' allowing municipalities to sign a 'Naturpakt' contract with the State, whereby they commit to implementing natural environment and biodiversity protection actions on their territory for the period until 2030, and receive a certification and associated financial subsidies once they present a sufficient level of performance in the light of a catalogue of measures relating to natural environment and biodiversity policies.
2B-3	Reform and investment: 'Naturpakt'	Milestone	Initial audit of performance completed	Publication of audit reports	-	-	-	Q1	2023	Publication of the first phase audit report on the performance of municipalities in relation to implemented measures as prescribed by the 'Naturpakt' catalogue of measures, for each municipality that has signed the 'Naturpakt' contract before the end of Q1 2022.
2B-4	Reform and investment: 'Naturpakt'	Target	Signature of 'Naturpakt' contracts' by 30 municipalities	-	Number	0	30	Q1	2024	A total of 30 municipalities have signed a 'Naturpakt' contract with the State.
2B-5	Reform and investment: 'Naturpakt'	Target	'Naturpakt' certification of 15 municipalities	-	Number	0	15	Q1	2025	A total of 15 municipalities certified under the 'Naturpakt', based on a positive audit assessment that each municipality has achieved a performance level of

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
										40% of the maximum achievable score on the basis of the 'Naturpakt' catalogue of measures.

F. COMPONENT 3A: Promotion of data-based economy

The security of personal data is a major challenge for society since economic and social agents are increasingly relying on digital communications. This component of Luxembourg's recovery and resilience plan, "Promoting a data-driven economy", is meant to address this challenge. Its objective is to develop an ultra-secure communication infrastructure based on quantum technology with the aim of enhancing security of sensitive data communication. This component also aims at creating a new technological ecosystem in Luxembourg, intended to create jobs and attract scientific experts in the field.

In that context, the Quantum Communication Infrastructure (QCI) deployed shall have a terrestrial part, able to connect two points with a maximum distance of 100km, and a satellite part, able to connect two points if located more than 100km apart.

The component is meant to contribute to addressing the Country-Specific Recommendations received by Luxembourg in 2019 and 2020, which recommend steering investment-related economic policy to encourage digitalisation and innovation. The component also contributes to the digital transition.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

F.1. Description of the reforms and investments for non-repayable financial support

Reform 1: Fostering the creation of a new technological ecosystem in Luxembourg

The development and deployment of Quantum communication technology is still in an experimental stage. The proposed reform is aimed at stimulating the development of a new ecosystem in Luxembourg in relation to this new technology, encouraging the participation of the private companies and researchers. This measure shall support innovation in quantum communications with the aim of reforming existing communication technologies and integrating the national infrastructure into the EuroQCI project. Obtaining experience in this technology shall equip Luxembourg to train and attract highly qualified people and stimulate innovative companies in this field.

In addition, the Quantum Communication Infrastructure (QCI) shall allow the exchange of information in a secure way by preventing a third party of intercepting the message without being noticed. This shall promote the highest level of data protection and privacy.

Investment 1: Development and deployment of testing infrastructure and ultra-secure connectivity solutions

This investment consists in developing and deploying the necessary research infrastructure to gain knowledge and experience in the field of quantum technology-based communication. To do so, the LuxQCI lab shall be created in collaboration with the Research Institute SnT. The creation of this lab shall provide the necessary expertise to the scientific community and consortium partners to develop and operate a quantum communication infrastructure. Two demonstrations shall be performed to gain experience regarding the technology. A first demonstration through the terrestrial network is expected to take place by 31 March 2023, whereas a first demonstration through the satellite is expected to take place by 30 September 2024.

F.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone/Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
3A-1	Reform 1 – Boosting the creation of a new ecosystem in Luxembourg	Milestone	Terrestrial network and space component	Establishment of connection				Q1	2023	Successful connection of the space and terrestrial segments of the Quantum Communication Infrastructure through the integration of a terrestrial and space-based Key Management System (KMS) using simulation of Space Quantum Key Distribution (QKD) reported in the minutes of the Steering Committee and a report by the consortium
3A-2	Reform 1 – Boosting the creation of a new ecosystem in Luxembourg	Target	Quantum Key Distribution		Number	0	2	Q2	2022	Successful connection of 2 sites in the framework of LuxQCI Lab through the establishment of a terrestrial network
3A-3	Investment 1 - Development and deployment of test infrastructure and ultra-secure connectivity solutions	Milestone	LuxQCI Laboratory	Entry into operation of LuxQCI Laboratory				Q3	2021	LuxQCI Lab, intended to gain the expertise needed to develop and operate a quantum communication infrastructure, shall be operational.
3A-4	Investment 1 - Development and deployment of test infrastructure and ultra-secure connectivity solutions	Milestone	Cross-border connection	Establishment of connection				Q1	2023	Cross-border connection established for the demonstration of a land-based quantum key distribution system formalised in an agreement between the third country concerned and Luxembourg.

Sequential Number	Related Measure (Reform or Investment)	Milestone/Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
3A-5	Investment 1 - Development and deployment of test infrastructure and ultra-secure connectivity solutions.	Milestone	Cross-border connection for a demonstration using the satellite	Establishment of connection				Q3	2024	Cross-border demonstration of a quantum distribution system through a satellite connection formalised in an agreement between the third country concerned and Luxembourg.

G. COMPONENT 3B: Modernisation of public administration

The COVID-19 pandemic and the containment measures have demonstrated the urgent need to further develop adequate interoperable digital solutions for public services and administrations. This component is aimed at addressing this challenge, by increasing the effectiveness and efficiency of public administrations and their services through their digitalisation, taking into account the current challenges, needs and expectations of citizens and government officials.

The component of Luxembourg's recovery and resilience plan is intended to respond to the Country-Specific Recommendations addressed to Luxembourg in 2019 and 2020, which recommended fostering innovation and digitalisation, in particular in the business sector, as well as guiding investment-related economic policy to encourage digitalisation and innovation. The component also contributes to the digital transition.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

G.1. Description of the reforms and investments for non-repayable financial support

Investment 1: Electronic document management, Case Management

Investment 1 aims to implement a central platform with the necessary functionalities to cover document management in public administrations as well as document exchanges between the administrations and the citizens and businesses. It shall also offer a repository for electronic document management and case management. To do so, a first basic platform named "GED Factory" shall be implemented by the Government IT Centre (CTIE). All public administrations willing to participate in the project shall receive technical support by CTIE to identify their specific needs.

Investment 2: Development of MyGuichet – Project 1/3 – Virtual appointments

The main objective of this investment is to enable public administrations to offer virtual appointments and to establish access to different functionalities via video conference appointments.

Investment 2: Development of MyGuichet – Project 2/3 – Various Citizen to Government (C2G) and Business to Government (B2G) procedures

Investment 2 is aimed at introducing 12 new online services – aligned with the priorities of the Single Digital Gateway Regulation – to expand the digital offer to citizens and businesses and simplifying different administrative processes. For instance, a Business to Government approach is going to be introduced regarding employees' tax deduction so citizens can have access to this information through MyGuichet. Another service which shall be implemented is the introduction of a Citizen to Government approach to facilitate the application of hunting permits through MyGuichet.

Investment 2: Development of MyGuichet – Project 3/3 – Mobile app MyGuichet.lu

The goal of this investment is to transfer the functionalities offered in MyGuichet.lu to a mobile application. This mobile application will be available to the general public and aims at improving the effectiveness of the procedures for citizens and businesses. The application shall provide access to desktop functions such as procedures with the public administration, from a personal mobile. Another function that this app will provide is the possibility of scanning documents. Thus, the smartphone shall be able to replace a scanner.

Investment 3: eADEM

The objective of this investment is to digitalise ADEM by upgrading its IT resources. To do so, an external consultant shall be hired to identify the needs of the Agency as well as to define the functionalities needed, which is necessary to develop the necessary IT tool to create eADEM.

This new tool shall generate different outcomes:

- It shall facilitate and speed up the work deployed by ADEM staff by increasing their productivity in a context of higher unemployment due to the COVID-19 pandemic.
- It shall also improve the efficiency of the Agency in relation to opening personalised accounts, instruction, execution and control of financial assistance to beneficiaries by the digitalisation of the process. The IT system shall also digitalise mechanisms to match job seekers and businesses at a faster pace.

Investment 4: National platform for public survey management

Investment 4 shall support the development of a national platform for the management of public surveys procedures, which consists of an Internet portal, a back-office and a MyGuichet.lu assistant. The objective of this investment is to centralise the publication of public surveys, which shall simplify their access and visibility. It shall also simplify the submission of a contribution which shall increase citizen's participation. The investment aims at digitalising all steps of those processes, while a physical solutions shall remain available.

G.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)				Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year		
3B-1	Investment 1 – Electronic Document Management and Case Management	Milestone	Entry into operation of a central platform for electronic document management and case management.	Entry into operation of a complete platform				Q4	2021	A central platform allowing for electronic management of documents and exchanges of documents between public administrations shall be operational, improving document management by public administrations.	
3B-2	Investment 1 – Electronic Document Management and Case Management	Target	GED and Case Management within governmental entities		Number	0	5	Q4	2024	A new individualised electronic document management and case management solution enters into operation within five government entities to improve their document management. The solution shall be individualised to meet the needs of each entity. The deployment of these individualised solutions shall be done by the Government IT Centre (CTIE).	
3B-3	Investment 1 – Electronic Document Management and Case Management	Target	Specific modules		Number	0	3	Q4	2024	Three specific modules are available in the platform, corresponding to the automation of standard procedures	
3B-4	Investment 1 – Electronic	Target	Entry into operation of two		Number	0	2	Q2	2024	Entry into operation of two interconnections between instances (cross-tenants workflow). The	

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
	Document Management and Case Management		interconnectors between bodies (cross-tenants) to allow the implementation of workflow and case management between different state entities.							objective shall be to allow for workflow and case management by different government entities, even where each of them has its own specific instance of the document management
3B-5	Investment 2 - Development of MyGuichet-Project 1/3: Virtual appointment	Milestone	Phase 1 of the Exchange via videoconference	Implementation of the necessary infrastructure to make available virtual appointments				Q2	2022	Implementation of an infrastructure project enabling two persons to exchange via videoconference with their web browsers. This concerns virtual appointments between citizens or businesses and the public administration.
3B-6	Investment 2 - Development of MyGuichet-Project 1/3: Virtual appointment	Milestone	Phase 2 of the Exchange via videoconference	Introduction of the virtual appointments within MyGuichet.lu				Q4	2022	Availability of the videoconference appointments functionality into MyGuichet.lu (adjustment of the appointment process, adaptation of the appointments list screen, development of the waiting room, adaptation of the personal spaces to view the appointments made).
3B-7	Investment 2 - Development of MyGuichet-Project 2/3: Various C2G	Target	12 new services		Number	0	12	Q4	2022	Implementation and availability of 12 new services for citizens and businesses, accessible via MyGuichet.lu

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)				Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal		Quarter	Year	
	and B2G approaches										
3B-8	Investment 2 - Development of MyGuichet - Project 3/3: APP Mobile MyGuichet.lu	Milestone	Deployment of a mobile version of MyGuichet (restricted audience)	Mobile version of MyGuichet available for a restricted audience					Q2	2021	Deployment of a mobile version of MyGuichet operational and available for a restricted scope of users
3B-9	Investment 2 - Development of MyGuichet - Project 3/3: APP Mobile MyGuichet.lu	Milestone	Deployment of a mobile version of MyGuichet.lu to the general public	Mobile version of MyGuichet available for the general public					Q3	2021	Deployment of a mobile version of MyGuichet.lu available to the general public
3B-10	Investment 3 - 'eADEM'	Milestone	Creation of ADEM 2025 Strategy for the analytical phase	Adoption of ADEM Strategy 2025					Q4	2021	ADEM 2025 Strategy and a medium-term work programme adopted. The objective shall be to mobilise the staff of ADEM (Agence pour le développement de l'emploi) to tackle the operational and digital transformation challenges brought about by 'eADEM'.
3B-11	Investment 3 - 'eADEM'	Milestone	Implementation of eADEM	Entry into operation of eADEM system					Q4	2024	The first version of the eADEM system is operational.
3B-12	Investment 3 - 'eADEM'	Milestone	Creation and implementation of two linked	Entry into operation of the systems linked to eADEM					Q4	2024	Digital assistants of the MyGuichet Portal linked to eADEM, are available to the public.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)				Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year		
			systems to eADEM								
3B-13	Investment 4 – National platform for the management of public investigations	Milestone	Creation of a national platform for the management and publication of public surveys and related documents	Creation of a national platform				Q1	2021		A national platform shall be available to all public administrations organising public surveys with the key functionalities, including the management and publication of public surveys and related documents and the possibility for the general public to submit an online contribution.
3B-14	Investment 4 – National platform for the management of public surveys	Target	Integration process of the national platform		Number	0	90	Q4	2023		A total of 90 municipalities have access to the national platform for the management of public surveys and are able to use it as organisers of public surveys

H. COMPONENT 3C: Promotion of a transparent and fair economy

This component of Luxembourg's recovery and resilience plan contains a measure related to the modernisation of corporate taxation, namely a law prohibiting deductions for corporate income tax purposes of interests and royalties paid to related undertakings established in jurisdictions included on the EU list of non-cooperative jurisdictions for tax purposes.

As a complement to that measure, the component indicates that Luxembourg will carry out an impact assessment of the above-mentioned law, 'with a view to informing the discussion on an extension of the measure to third jurisdictions other than those included in the EU list on non-cooperative tax jurisdictions'.

The component further indicates that Luxembourg will continue to adopt a constructive attitude in ongoing and upcoming discussions on the modernisation of the EU and international fiscal system applicable to companies, in particular as part of the OECD Inclusive Framework in the context of the initiatives announced in the recent Commission Communication "Business Taxation for the 21st Century".

This component also contains measures on the fight of money laundering and terrorist financing, which are expected to contribute to the country-specific recommendation to ensure effective supervision and enforcement of the anti-money laundering framework as regards professionals providing trust and company services, and investment services.

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measures and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01).

H.1. Description of the reforms and investments for non-repayable financial support

Reform 1: Modernisation of corporate taxation

This reform consists of a legislative measure prohibiting deductions for corporate income tax purposes of interests and royalties paid to related undertakings established in jurisdictions included on the EU list of non-cooperative jurisdictions for tax purposes. This reform implements an agreement reached at the EU Council in December 2019.

Reform 2: Fight of money laundering and terrorist financing

This reform consists of four intertwined sub-measures and pursues two main objectives. First, to strengthen the framework for fighting money laundering (ML) and terrorist financing (TF) that is applicable to professionals providing trust and company services, and investment services. The second objective consists in a better identification, assessment, and understanding of ML/TF risks.

The first sub-measure consists in a reinforcement of the national provisions on the fight against ML and TF that is applicable to professionals providing services to companies and trusts, and investment services. Besides transposing certain provisions of the fifth Anti-Money Laundering

Directive³, the Act of 25 March 2020 reinforces and further harmonises the supervision and sanctioning powers of the supervisory authorities, and self-regulatory bodies in charge of supervision of trust and company service providers and investment services in the field of ML and TF. The related grand-ducal decree of 14 August 2020 clarifies certain provisions applicable to the trust and company service providers.

The second sub-measure consists in deepening the identification, assessment, and understanding of ML/TF risks, including the risks related to professionals providing services to companies and trusts, and investment services. To that end, the National Risk Assessment of ML/TF conducted in 2018 has been updated to further calibrate the preventive and mitigating measures, and the allocation by the State, the supervisory authorities, and self-regulatory bodies of resources to the fight against ML/TF. Furthermore, a Vertical Risk Assessment of Terrorist Financing has been launched to deepen the understanding of the jurisdictions in which TF takes place, while focusing on the sectors considered to be the most vulnerable to TF. Finally, the Sectoral Risk Assessment of Legal Persons and Legal Arrangements, required under criterion 24.2 of recommendations of the Financial Action Task Force, shall allow to develop new measures mitigating the possibly identified residual risks.

As a third sub-measure, the Luxembourg Business Register, as the body administering the Register of Beneficial Owners and the Trade and Company Register, shall undergo an extensive transformation with a view of extending its sanctioning, controlling, and executive powers, and facilitating the use of its data for the assessment of ML/TF risks. The transformation will concern the procedures, the organisation, and the capacities including the digital capacities of the Luxembourg Business Register so that the latter is the primary source of essential data on legal entities for all users concerned.

Lastly, the fourth sub-measure will consist in a study reviewing the current legal regime applicable to trust and company service providers and, informed by this study, the submission of a law consolidating that framework which shall enter into force by September 2023. The law is expected to revise the current supervision regime, improve the centralised collection of data of the activities performed by the services providers, and to clarify the applicable sanction mechanisms.

³ Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU, OJ L 156, 19.6.2018, p. 43-74.

H.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
3C-1	Reform 1 – Modernisation of corporate taxation	Milestone	Act of 10 February 2021 amending the amended act of 4 December 1967 on income tax (formerly draft act No°7547)	Entry into force of act	-	-	-	Q1	2021	Entry into force of the Act of 10 February 2021 amending the amended act of 4 December 1967 on income tax (formerly draft act No°7547) introducing for corporate income tax purposes non-deductibility of interests and royalties paid to related undertakings established in non-cooperative tax jurisdictions
3C-2	Reform 2 – Fight of money laundering and terrorist financing	Milestone	Act of 25 March 2020 on AML	Entry into force of act				Q1	2020	Entry into force of the Act of 25 March 2020 amending the amended act of 12 November 2004 on the fight against money laundering and terrorist financing
3C-3	Reform 2 – Fight of money laundering and terrorist financing	Milestone	Grand-ducal decree of 14 August 2020 on AML	Entry into force of grand-ducal decree				Q3	2020	Entry into force of the Grand-ducal decree of 14 August 2020 amending the Grand-ducal decree of 1 February 2010 specifying certain provisions of the amended Act of 12 November 2004 on the fight against money laundering and terrorist financing
3C-4	Reform 2 – Fight of money laundering and	Milestone	Vertical risk assessment in the area of	Publication of risk assessment				Q2	2021	Publication, upon the adoption by the ML/TF Prevention Committee of the Vertical Risk Assessment of Terrorist Financing, a risk

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)				Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal		Quarter	Year	
	terrorist financing		terrorist financing								assessment of the threats Luxembourg faces of being a conduit for terrorist financing
3C-5	Reform 2 – Fight of money laundering and terrorist financing	Milestone	Sectoral risk assessment of legal persons	Publication of risk assessment					Q4	2021	Publication of a Sectoral Risk Assessment of Legal Persons
3C-6	Reform 2 – Fight of money laundering and terrorist financing	Milestone	2020 update of National Risk Assessment	Publication of risk assessment					Q4	2020	Publication of the 2020 update of the National Risk Assessment of Money Laundering and Terrorist Financing
3C-7	Reform 2 – Fight of money laundering and terrorist financing	Milestone	Transformation of Luxembourg Business Register	Finalisation of transformation project (legislation, operating model, additional capacities)					Q4	2023	Finalisation of the project to transform the Luxembourg Business Register (elaboration of a first draft act, deployment of an operating model based on recommendations of the consultant, and deployment of additional capacities)
3C-8	Reform 2 – Fight of money laundering and terrorist financing	Milestone	Finalisation of the study on the reinforcement of the regime applicable to trust and company	Finalisation of a study					Q4	2021	Finalisation of the study on the reinforcement of the regime applicable to trust and company service providers

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
			service providers							
3C-9	Reform 2 – Fight of money laundering and terrorist financing	Milestone	Entry into force of the act reinforcing the regime applicable to trust and company service providers	Entry into force of a legislative act				Q3	2023	Entry into force of the act reinforcing the regime applicable to trust and company service providers

J. COMPONENT 4A – REPowerEU chapter

The REPowerEU chapter is structured around four measures and contributes to addressing the challenges of the green transition, in particular the need to reduce greenhouse gas emissions, improve energy efficiency in buildings, accelerate the development of additional generation capacity from renewable energy sources, reduce dependency on imported fossil fuels, and improve the availability and accessibility of zero-emission transportation.

The main objectives of the REPowerEU chapter are to:

- increase and accelerate the deployment of renewable energy by promoting sustainable biogas production and increasing the deployment of photovoltaic power generation capacity;-
- boost energy efficiency and promote the use of renewable energy sources in housing;
- bolster the provision of sustainable and zero-emission transport by supporting the acquisition of zero-emission vehicles.

The REPowerEU chapter contributes to addressing the country-specific recommendations on reducing the overall reliance on fossil fuels (country-specific recommendation 4.1 in 2022 and 4.1 in 2023) by accelerating the deployment of renewable energy, in particular photovoltaic power plants and sustainable biomethane, as well as implementing additional measures that support energy efficiency in housing (country-specific recommendation 4.4 in 2022 and 4.3 in 2023). In addition, through electrifying the car fleet, the chapter contributes to addressing the recommendation to promote the electrification of transport (country-specific recommendation 4.6 in 2022 and 4.5 in 2023).

It is expected that no measure in this component does significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measure and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance C(2023)6465 final.

J.1. Description of the reforms and investments for non-repayable financial support

Reform: Promotion of sustainable biogas production

The objective of this measure is to promote the development of sustainable biogas production through the revision of Luxembourg's existing sustainable biogas support schemes.

The reform, which builds on the National Biogas Strategy⁴ published in June 2023, shall increase incentives for the use of manure in a mass ratio of at least 90 % and create new tariff categories for small installations, with a focus on promoting farm-based anaerobic digestion. The reform shall ensure that biogas concerned by it complies with the sustainability criteria, greenhouse gas emission saving criteria and rules for food and feed crops set out in Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources⁵.

The implementation of the reform shall be completed by 31 December 2024.

⁴ Stratégie nationale biogaz “Nationale Strategie für den Ausbau der Biogasproduktion in Luxemburg“, 06/2023, <https://biogasvereinigung.lu/wp-content/uploads/2023/11/Strategie-nationale-production-de-biogaz-luxemburgde-2023.pdf>

⁵ OJ, L 328, 21.12.2018, p. 82.

Investment 1: Promotion of energy efficiency and renewable energy in housing

The objective of this investment is to improve energy efficiency in the housing sector. The measure shall consist in providing financial support for interventions in housing units falling into one or more of the following categories:

- energy efficiency projects;
- photovoltaic installations;
- solar thermal installations;
- wood-fired boilers;
- heat pumps.

The implementation of this investment shall be completed by 31 August 2026.

Investment 2: Promotion of zero-emission and active mobility

This investment aims to encourage the electrification of Luxembourg's car fleet and to promote active mobility. It consists in providing financial support for the acquisition of zero-emission passenger cars, vans, quadricycles, light motorcycles, mopeds, bicycles or electrically assisted pedal bicycles ("pedelec25") through purchase, lease or rental.

The implementation of this investment shall be completed by 31 August 2026.

Investment 3: Construction of photovoltaic power generation units in business premises

This investment aims to foster the deployment of photovoltaic power generation in Luxembourg. It consists of subsidies awarded to businesses in order to install photovoltaic power generation units of capacity exceeding 30 kWc in their premises.

This measure allows the support to sites registered as ETS installations only where the interventions do not affect the carbon dioxide emissions of those ETS installation and hence are actions that are not within the ETS installation boundaries.

The implementation of the investment shall be completed by 31 August 2026.

J.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
4A-1	Reform 1 - Promotion of sustainable biogas production	Milestone	Grand-Ducal Regulation reforming the sustainable biogas support scheme	Entry into force of the Grand Ducal Regulation reforming the sustainable biogas support scheme				Q4	2024	Entry into force of the Grand-Ducal Regulation reforming the sustainable biogas support schemes to increase incentives for the use of manure in a mass ratio of at least 90 % and to create new tariff categories for small installations.
4A-2	Investment 1 - Promotion of energy efficiency and renewable energy in housing	Milestone	Grand-Ducal Regulation laying down guidelines for the aid scheme promoting energy efficiency and renewable energy in housing	Entry into force of the Grand-Ducal Regulation reforming the scheme promoting energy efficiency and renewable energy in housing				Q2	2022	Entry into force of the Grand-Ducal Regulation that lays down the guidelines for the aid scheme for the promotion of sustainability, rational use of energy and renewable energy in the housing sector.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
4A-3	Investment 1 – Promotion of energy efficiency and renewable energy in housing	Target	Number of housing energy projects completed		Number	0	6 290	Q3	2026	6 290 projects completed in housing units and falling within one or more of the following categories: • energy efficiency projects; • photovoltaic installations; • solar thermal installations; • wood-fired boilers; • heat pumps.
4A-4	Investment 2 – Promotion of zero-emission and active mobility	Milestone	Grand-Ducal Regulation laying down guidelines for the aid scheme supporting the acquisition of zero emission vehicles	Entry into force of Grand-Ducal Regulation reforming the scheme supporting the acquisition of zero emission vehicles				Q3	2022	Entry into force of the Grand-Ducal Regulation that lays down the guidelines for the aid scheme for the promotion of road vehicles with zero and low CO2 emissions.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)				Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year		
4A-5	Investment 2 – Promotion of zero-emission and active mobility	Target	Number of zero-emission vehicles acquired through purchase, lease or rental		Number	0	27419	Q3	2026	27 419 zero-emission vehicles (passenger cars, vans, quadricycles, light motorcycles, or mopeds, bicycles or electrically assisted pedal bicycles (“pedelec25”)) acquired through purchase, lease or rental.	
4A-6	Investment 3: Construction of photovoltaic power generation units in business premises	Target	Installed photovoltaic capacity of power generation units in business premises		MWc	0	25	Q4	2024	25 MWc of photovoltaic capacity of power generation units installed and operational in business premises.	
4A-7	Investment 3: Construction of photovoltaic power generation units in business premises	Target	Installed photovoltaic capacity of power generation units in business premises		MWc	25	78.62	Q3	2026	78.62 MWc of photovoltaic capacity of power generation units installed and operational in business premises.	

I. AUDIT AND CONTROL

I.1. Description of the reforms and investments for non-repayable financial support

A repository system for recording and storing all relevant data related to the implementation of the recovery and resilience plan - the achievement of milestones and targets, data on final recipient, contractors, subcontractors and beneficial owners - shall be operational before the first payment request is submitted. Before the first payment request, Luxembourg shall also submit a dedicated audit report confirming the effectiveness of the minimum functionalities of the repository system.

In addition, before the first payment request is submitted, Luxembourg shall finalise the implementation of further procedures for the protection of the EU financial interests as described in Part III, Chapter 4 on Implementation, subchapter x and Chapter 6 on Audit and Controls sub-chapter xi of the Plan. The management declaration and the summary of audits accompanying the payment request should confirm their status of implementation and identify any related weaknesses found and corrective actions taken or planned.

I.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name	Qualitative indicators (for milestones)	Quantitative indicators (for targets)			Indicative timeline for completion		Description of each milestone and target
					Unit of measure	Baseline	Goal	Quarter	Year	
AC-1	Monitoring and implementation of the plan	Milestone	Repository system for Audit and Controls: information for monitoring implementation of RRF	Audit report confirming repository system functionalities				Before the first payment request	Before the first payment request	A repository system for monitoring the implementation of the RRF shall be in place and operational. The system shall include, as a minimum, the following functionalities: (a) collection of data and monitoring of the achievement of milestones and targets; (b) collect, store and ensure access to the data required by Article 22(2) points (d)(i) to (iii) of the RRF Regulation.
AC-2	Monitoring and implementation of the plan	Milestone	Protection of EU financial interests	Implementation of procedures				Before the first payment request	Before the first payment request	The finalisation of the implementation of further procedures for the protection of EU financial interests as presented in Part III, Chapter 4 on Implementation, subchapter x and Chapter 6 on Audit and Controls sub-chapter xi of the Plan, to be completed before the submission of the first payment request by Luxembourg's authorities.

2. Estimated total cost of the recovery and resilience plan

The estimated total cost of the recovery and resilience plan including the REPowerEU chapter of Luxembourg is EUR 241 100 776. The estimated total cost of the REPowerEU chapter is EUR 176 746 699. In particular, the estimated total cost of the measures referred to in Article 21c(3), point (a) of Regulation (EU) 2023/435 is EUR 0 whilst the cost of the other measures in the REPowerEU chapter is EUR 176 746 699.

SECTION 2: FINANCIAL SUPPORT

1. Financial contribution

1.1. First Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
AC-1	AC: Monitoring and implementation of the plan	Milestone	Repository system for Audit and Controls: information for monitoring implementation of RRF
3C-2	3C: Reform 2 – Fight of money laundering and terrorist financing	Milestone	Act of 25 March 2020 on AML
1A-1	1A: Reform 1 - Skillsdësch	Milestone	Launch of « Skillsdësch »
1B-1	1B: Reform 1 –Strengthening health system resilience — Gesondheetsdësch	Milestone	Kick-off and preparatory phase of the ‘Gesondheetsdësch’ process with the aim to address the six thematic priorities.
3C-3	3C: Reform 2 – Fight of money laundering and terrorist financing	Milestone	Grand-ducal decree of 14 August 2020 on AML
3C-6	3C: Reform 2 – Fight of money laundering and terrorist financing	Milestone	2020 update of National Risk Assessment
1A-3	1A: Investment 1 - FutureSkills	Milestone	Agreement by partners on the “operational phase”
1B-7	1B: Investment 2-Strengthening health system resilience — Telemedicine solution for remote medical follow-up of patients	Milestone	“Macla”
3B-13	3B: Investment 4 – National platform for the management of public investigations	Milestone	Creation of a national platform for the management and publication of public surveys and related documents
3C-1	3C: Reform 1 – Modernisation of corporate taxation	Milestone	Act of 10 February 2021 amending the amended act of 4 December 1967 on income tax (formerly draft act No°7547)

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
3B-8	3B: Investment 2 - Development of MyGuichet - Project 3/3: APP Mobile MyGuichet.lu	Milestone	Deployment of a mobile version of MyGuichet (restricted audience)
3C-4	3C: Reform 2 – Fight of money laundering and terrorist financing	Milestone	Vertical risk assessment in the area of terrorist financing
1C-1	1C: Reform – Housing Pact 2.0	Milestone	Entry into force of the Housing Pact 2.0 Law
2A-1	2A: Reform: Electrification of the fleet of contracting authorities and entities, and of public transport	Milestone	Grand-Ducal Regulation on the procurement of clean vehicles
2B-1	2B: Reform and investment: ‘Naturpakt’	Milestone	Finalisation of the catalogue of measures
3A-3	3A: Investment 1-Development and deployment of test infrastructure and ultra-secure connectivity solutions	Milestone	LuxQCI Laboratory
3B-9	3B: Investment 2 - Development of MyGuichet - Project 3/3: APP Mobile MyGuichet.lu	Milestone	Deployment of a mobile version of MyGuichet.lu to the general public
1A-4	1A: Investment 1- FutureSkills	Target	Participants of FutureSkills aged more than 45 years
1A-5	1A: Investment 1 - FutureSkills	Target	Participants of FutureSkills
1B-2	1B: Reform 1 –Strengthening health system resilience — Gesundheitsdösch	Milestone	Work programme
2B-2	2B: Reform and investment: ‘Naturpakt’	Milestone	‘Naturpakt’ Law
3B-1	3B: Investment 1 – Electronic Document Management and Case Management	Milestone	Entry into operation of a central platform for electronic document management and case management.
3B-10	3B: Investment 3 - ‘eADEM’	Milestone	Creation of ADEM 2025 Strategy for the analytical phase
3C-5	3C: Reform 2 – Fight of money laundering and terrorist financing	Milestone	Sectoral risk assessment of legal persons
3C-8	3C: Reform 2 – Fight of money laundering and terrorist financing	Milestone	Finalisation of the study on the reinforcement of the regime applicable to trust and company service providers
AC-2	AC: Monitoring and implementation of the plan	Milestone	Protection of EU financial interests
		Instalment Amount	EUR 24 858 611

1.2. Second Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
1B-3	1B: Reform 2 – Strengthening Health System Resilience — Reforming the remits of health professionals	Milestone	Publication of a roadmap for the implementation of the reform of the responsibilities of health professionals
2A-2	2A: Investment: Support scheme for charging points	Milestone	Law on the support scheme for charging points
1A-2	1A: Reform 1 - Skillsdösch	Milestone	Launch of the vocational trainings (« skillsbridges »)
3A-2	3A: Reform 1 –Boosting the creation of a new ecosystem in Luxembourg	Target	Quantum Key Distribution
3B-5	3B: Investment 2 - Development of MyGuichet- Project 1/3: Virtual appointment	Milestone	Phase 1 of the Exchange via videoconference
1B-6	1B: Investment 1-Strengthening Health System Resilience — Single Digital Register of Health Professions	Target	Making available the new digital register
1C-3	1C: Reform – Housing Pact 2.0	Target	Percentage of municipalities signing an implementation agreement
3B-6	3B: Investment 2 - Development of MyGuichet- Project 1/3: Virtual appointment	Milestone	Phase 2 of the Exchange via videoconference
3B-7	3B: Investment 2 - Development of MyGuichet- Project 2/3: Various C2G and B2G approaches	Target	12 new services
4A-2	4A: Reform - Promotion of energy efficiency and renewable energy in housing	Milestone	Grand-Ducal Regulation laying down guidelines for the aid scheme promoting energy efficiency and renewable energy in housing
4A-4	4A: Promotion of zero-emission and active mobility	Milestone	Grand-Ducal Regulation laying down guidelines for the aid scheme supporting the acquisition of zero emission vehicles
		Instalment Amount	EUR 59 891 672

1.3. Third Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
1B-8	1B: Investment 2-Strengthening health system resilience – Telemedicine solution for remote medical follow-up	Milestone	An integrated solution
2B-3	2B: Reform and investment: ‘Naturpakt’	Milestone	Initial audit of performance completed
3A-1	3A: Reform 1 – Boosting the creation of a new ecosystem in Luxembourg	Milestone	Terrestrial network and space component
3A-4	3A: Investment 1 -Development and deployment of test infrastructure and ultra-secure connectivity solutions	Milestone	Cross-border connection
3C-9	3C: Reform 2 – Fight of money laundering and terrorist financing	Milestone	Entry into force of the act reinforcing the regime applicable to trust and company service providers
1C-2	1C: Reform – Housing Pact 2.0	Target	Percentage of municipalities signing an initial agreement
2A-3	2A: Investment: Support scheme for charging points	Target	Number of operational charging points
3B-14	3B: Investment 4 – National platform for the management of public surveys	Target	Integration process of the national platform
3C-7	3C: Reform 2 – Fight of money laundering and terrorist financing	Milestone	Transformation of Luxembourg Business Register
		Instalment Amount	EUR 54 622 205

1.4. Fourth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
2B-4	2B: Reform and investment: ‘Naturpakt’	Target	Signature of ‘Naturpakt contracts’ by 30 municipalities
3B-4	3B: Investment 1 – Electronic Document Management and Case Management	Target	Entry into operation of two interconnectors between bodies (cross-tenants) to allow the implementation of workflow and case management between different state entities.

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
3A-5	3A: Investment 1 - Development and deployment of test infrastructure and ultra-secure connectivity solutions.	Milestone	Cross-border connection for a demonstration using the satellite
3B-2	3B: Investment 1 – Electronic Document Management and Case Management	Target	GED and Case Management within governmental entities
3B-3	3B: Investment 1 – Electronic Document Management and Case Management	Target	Specific modules
3B-11	3B: Investment 3 - ‘eADEM’	Milestone	Implementation of eADEM
3B-12	3B: Investment 3 - ‘eADEM’	Milestone	Creation and implementation of two linked systems to eADEM
4A-1	4A: Reform 1 - Promotion of sustainable biogas production	Milestone	Grand-Ducal Regulation reforming the sustainable biogas support scheme
4A-6	4A: Investment 3: Construction of photovoltaic power generation units in business premises	Target	Installed photovoltaic capacity of power generation units in business premises
		Instalment Amount	EUR 53 069 150

1.5. Fifth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
2B-5	2B: Reform and investment: 'Naturpakt'	Target	'Naturpakt' certification of 15 municipalities
2A-4	2A: Investment: Support scheme for charging points	Target	Number of operational charging points
1B-4	1B: Reform 2 – Strengthening Health System Resilience — Reforming the remits of health professionals	Milestone	Competences, tasks and responsibilities of nurses and nursing assistants
1B-5	1B: Reform 2 – Strengthening Health System Resilience — Reforming the remits of health professionals	Milestone	Competences, tasks and assignments of other health professions (including specialised nurses, therapists, midwives, social workers and dieticians)
4A-3	4A: Investment 1 - Promotion of energy efficiency and renewable energy in housing	Target	Number of housing energy projects completed
4A-5	4A: Investment 2 – Promotion of zero-emission and active mobility	Target	Number of zero-emission vehicles acquired through purchase, lease or rental
4A-7	4A: Investment 3: Construction of photovoltaic power generation units in business premises	Target	Installed photovoltaic capacity of power generation units in business premises
		Instalment Amount	EUR 48 659 138

SECTION 3: ADDITIONAL ARRANGEMENTS

1. Arrangements for monitoring and implementation of the recovery and resilience plan

The monitoring and implementation of the recovery and resilience plan of Luxembourg shall take place in accordance with the following arrangements.

The Directorate for Economic and Budgetary Affairs within the Ministry of Finance shall have overall responsibility for the implementation of the plan and act as a managing department and a single point of contact for the Commission. This service shall also be responsible for drawing up the payment requests and management declarations and shall coordinate and monitor the implementation of the plan. It shall also collect the data on the indicators as submitted by the final recipients, and carry out the management verifications.

The managing department shall be responsible for aggregating all the information relating to the indicators for which it shall also carry out a consistency check and, more generally, a quality control. The managing department shall also be responsible for communicating and making use of these monitoring data, both in the coordination committees and in the annual implementation report.

The managing department shall carry out checks (including on-the-spot) on the administrative, financial, technical and physical aspects of the operations, in all stages of the management of a measure included in the recovery and resilience plan. Such checks shall be carried out when financing sheets are examined, during the implementation and monitoring of the measures, when applications for reimbursement of grants to final recipients are submitted and when payments are made to final recipients.

In addition, specific measures shall be implemented to check compliance with the rules relating to public procurement, to prevent corruption, and to protect financial interests of the EU.

The General Finance Inspectorate (IGF) shall be the audit authority for the recovery and resilience plan.

The audit authority shall follow an audit approach based on the following principles: annual system audit (covering the system in place for the reporting of the milestones and targets and covering also the internal control system for preventing, detecting and correcting fraud, conflict of interest, corruption and double financing) and annual audits of operations (based on an adequate sample).

The data relating to final recipients shall be collected as soon as they enter the operation, which is done either by entering data directly by the managing department or by importing data via an import Excel file. The data collected in this manner shall then be entered either directly into the information system or imported via files.

2. Arrangements for providing full access by the Commission to the underlying data

The Directorate for Economic and Budgetary Affairs within the Ministry of Finance, as the central coordinating body for Luxembourg's recovery and resilience plan and its implementation, is responsible for overall coordination and monitoring of the plan. In particular, it acts as a coordinating body for monitoring progress on milestones and targets, for monitoring and, where appropriate, implementing control activities and as a single point of contact for the Commission. This service shall also be responsible for drawing up the payment requests and management declarations. It shall coordinate the reporting of milestones and targets, relevant indicators, but also qualitative financial information and other data, such as the data on the indicators as submitted by the final recipients through a dedicated IT system, and carry out the management verifications. The General Finance Inspectorate (IGF) shall be the audit authority for the recovery and resilience plan.

In accordance with Article 24(2) of Regulation (EU) 2021/241, upon completion of the relevant agreed milestones and targets in Section 2.1 of this Annex, Luxembourg shall submit to the Commission a duly justified request for payment of the financial contribution. Luxembourg shall ensure that, upon request, the Commission has full access to the underlying relevant data that supports the due justification of the request for payment, both for the assessment of the

request for payment in accordance with Article 24(3) of Regulation (EU) 2021/241 and for audit and control purposes.