



EUROPEAN  
COMMISSION

Brussels, 22.10.2025  
COM(2025) 646 final

2025/0325 (NLE)

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(2025) 338 final}

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**

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 Facility<sup>1</sup>, 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 proposed its positive assessment to the Council. On 13 July 2021, the Council approved the positive assessment by means of an implementing decision ('the Council Implementing Decision of 13 July 2021')<sup>2</sup>. The Council Implementing Decision of 13 July 2021 was amended by Council Implementing Decisions of 17 January 2023<sup>3</sup>, 23 September 2024<sup>4</sup>, and 14 April 2025<sup>5</sup>.
- (2) On 15 September 2025, Luxembourg made a reasoned request to the Commission to make a proposal to amend the Council Implementing Decision of 13 July 2021 in accordance with Article 21(1) of Regulation (EU) 2021/241 on the grounds that the RRP is partially no longer achievable because of objective circumstances. On that basis, Luxembourg has submitted an amended RRP.

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

- (3) The amendments to the RRP submitted by Luxembourg because of objective circumstances concern 16 measures.
- (4) Luxembourg has explained that three measures are partially no longer achievable, because of unexpected technical challenges that significantly delayed implementation. This concerns LU-C[3A]-R[R1]: Reform 1: Fostering the creation of a new

<sup>1</sup> OJ L 57, 18.2.2021, p. 17, ELI: <https://eur-lex.europa.eu/eli/reg/2021/241/oj>

<sup>2</sup> See documents ST 10155/21 INIT; ST 10155/21 ADD 1 at <http://register.consilium.europa.eu>

<sup>3</sup> See documents ST 16022/22 at <http://register.consilium.europa.eu>

<sup>4</sup> See documents ST 12569/24 INIT; ST 12569/24 ADD 1 at <http://register.consilium.europa.eu>

<sup>5</sup> See documents ST 7450/25 INIT; ST 7450/25 ADD 1 at <http://register.consilium.europa.eu>

technological ecosystem in Luxembourg, LU-C[3A]-I[I1]: Investment 1: Development and deployment of test infrastructure and ultra-secure connectivity solutions and LU-C[3B]-I[I3]: Investment 3: eADEM. On this basis, Luxembourg has requested that milestone 3A-1 of LU-C[3A]-R[R1]: Reform 1: Fostering the creation of a new technological ecosystem in Luxembourg and milestone 3A-5 of LU-C[3A]-I[I1]: Investment 1: Development and deployment of test infrastructure and ultra-secure connectivity solutions be deleted. Furthermore, Luxembourg has requested that description of LU-C[3A]-I[I1]: Investment 1: Development and deployment of test infrastructure and ultra-secure connectivity solutions and milestone 3A-4 of LU-C[3A]-I[I1]: Investment 1: Development and deployment of test infrastructure and ultra-secure connectivity solutions; description of LU-C[3B]-I[I3]: Investment 3: eADEM and milestone 3B-12 of LU-C[3B]-I[I3]: Investment 3: eADEM be amended. Furthermore, Luxembourg has requested that intermediate milestone 3B-11 of LU-C[3B]-I[I3]: Investment 3: eADEM be deleted. The Council Implementing Decision of 13 July 2021 should be amended accordingly.

- (5) Luxembourg has explained that one measure is partially no longer achievable, because of lack of demand. This concerns LU-C[4A]-I[I3]: Investment 3: Construction of photovoltaic power generation units in business premises. On this basis, Luxembourg has requested that target 4A-7 of LU-C[4A]-I[I3]: Investment 3: Construction of photovoltaic power generation units in business premises be amended. Furthermore, Luxembourg has requested that the description of LU-C[4A]-I[I3]: Investment 3: Construction of photovoltaic power generation units in business premises and target 4A-6 of LU-C[4A]-I[I3]: Investment 3: Construction of photovoltaic power generation units in business premises be amended. The Council Implementing Decision of 13 July 2021 should be amended accordingly.
- (6) Luxembourg has explained that one measure has been amended to implement a better alternative, in order to achieve its original ambition. This concerns LU-C[1B]-R[R2]: Reform 2: Reform of regulation of competences of healthcare professionals. On this basis, Luxembourg has requested to amend and frontload milestone 1B-4 of LU-C[1B]-R[R2]: Reform 2: Reform of regulation of competences of healthcare professionals. Furthermore, Luxembourg has requested that the description of LU-C[1B]-R[R2]: Reform 2: Reform of regulation of competences of healthcare professionals and milestone 1B-5 of LU-C[1B]-R[R2]: Reform 2: Reform of regulation of competences of healthcare professionals be amended. The Council Implementing Decision of 13 July 2021 should be amended accordingly.
- (7) Luxembourg has explained that ten measures have been amended to implement better alternatives that allow the administrative burden to be reduced and simplify the Council Implementing Decision, while still achieving the objectives of those measures. This concerns description of LU-C[1B]-I[I2]: Investment 2: Telemedicine solution for remote medical follow-up of patients and milestone 1B-8 of LU-C[1B]-I[I2]: Investment 2: Telemedicine solution for remote medical follow-up of patients; description of LU-C[1C]-R[R1]: Reform: Housing Pact 2.0; description of LU-C[2A]-I[I1]: Investment: Support scheme for charging points and target 2A-4 of LU-C[2A]-I[I1]: Investment: Support scheme for charging points; description of LU-C[2B]-R[R1]: Reform and Investment: 'Naturpakt' and target 2B-5 of LU-C[2B]-R[R1]: Reform and Investment: 'Naturpakt'; description of LU-C[3B]-I[I1]: Investment 1: Electronic Document Management and Case Management and target 3B-4 of LU-C[3B]-I[I1]: Investment 1: Electronic Document Management and Case Management; description of LU-C[3B]-I[I4]: Investment 4: National platform for public survey

management and target 3B-14 of LU-C[3B]-I[I4]: Investment 4: National platform for public survey management ; description of LU-C[3C]-R[R2]: Reform 2: Fight of money laundering and terrorist financing and milestone 3C-7 of LU-C[3C]-R[R2]: Reform 2: Fight of money laundering and terrorist financing ; description of LU-C[4A]-R[R1]: Reform: Promotion of sustainable biogas production and milestone 4A-1 of LU-C[4A]-R[R1]: Reform: Promotion of sustainable biogas production; description of LU-C[4A]-I[I1]: Investment 1: Promotion of energy efficiency and renewable energy in housing and target 4A-3 of LU-C[4A]-I[I1]: Investment 1: Promotion of energy efficiency and renewable energy in housing ; and description of LU-C[4A]-I[I2]: Investment 2: Promotion of zero-emission and active mobility and target 4A-5 of LU-C[4A]-I[I2]: Investment 2: Promotion of zero-emission and active mobility. On this basis, Luxembourg has requested that those measures be amended. Furthermore, Luxembourg has requested to delete intermediate target 1C-2 of LU-C[1C]-R[R1]: Reform: Housing Pact 2.0, intermediate target 2A-3 of LU-C[2A]-I[I1]: Investment: Support scheme for charging points, intermediate targets 2B-3 and 2B4 of LU-C[2B]-R[R1]: Reform and Investment: 'Naturpakt'; and intermediate targets 3B-2 and 3B-3 of LU-C[3B]-I[I1]: Investment 1: Electronic document management and Case Management. The Council Implementing Decision of 13 July 2021 should be amended accordingly.

- (8) Following the removal and the decrease in the level of implementation of measures in accordance with Article 21 of Regulation (EU) 2021/241, Luxembourg has requested to use the resources freed up by the removal and the decrease in the level of implementation of measures to add one new measure and increase the level of implementation of two measures. This concerns LU-C[2A]-I[I1]: Investment: Support scheme for charging points, LU-C[2B]-R[R1]: Reform and Investment: 'Naturpakt', and LU-[4A]-I[I4]: Investment 4: Scaled up measure: Investment [2A-I1]: Support scheme for charging points. On this basis, Luxembourg has requested that one new measure be added and the level of implementation of two measures be increased.

#### ***Distribution of milestones and targets***

- (9) The distribution of milestones and targets in instalments should be amended to take into account the amendments to the RRP and the indicative timeline presented by Luxembourg.

#### ***Commission's assessment***

- (10) The Commission has assessed the amended RRP against the assessment criteria laid down in Article 19(3) of Regulation (EU) 2021/241.
- (11) The Commission considers that the amendments put forward by Luxembourg do not affect the positive assessment of the RRP set out in the Council Implementing Decision of Luxembourg regarding the relevance, effectiveness, efficiency and coherence of the RRP against the assessment criteria laid down in Article 19(3) of Regulation (EU) 2021/241 points (a), (b), (c), (d), (da), (db), (g), (h), (i), (j) and (k).

#### ***Contribution to the green transition including biodiversity***

- (12) In accordance with Article 19(3), point (e), of and Annex V, criterion 2.5, to Regulation (EU) 2021/241, the amended RRP 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 82% of the amended RRP's total allocation and 89% of the total estimated costs of measures in the REPowerEU chapter

calculated in accordance with the methodology set out in Annex VI to Regulation (EU) 2021/241. In accordance with Article 17 of Regulation (EU) 2021/241, the amended RRP is consistent with the information included in the National Energy and Climate Plan 2021-2030.

- (13) The removed and amended measures do not impact the overall contribution of the RRP to the green transition. While the ambition of measure LU-C[4A]-I[3]: ‘Investment 3: Construction of photovoltaic power generation units in business premises’ has been slightly decreased, the ambition of measures LU-C[2A]-I[I1]: ‘Investment: Support scheme for charging points’ and LU-C[2B]-R[R1]: ‘Reform and Investment: ‘Naturpakt’ has been increased. Moreover, measure LU-[4A]-I[I4]: Investment 4: Scaled up measure: Investment [2A-I1]: Support scheme for charging points was added.

### ***Contribution to the digital transition***

- (14) In accordance with Article 19(3), point (f), of and Annex V, criterion 2.6, to Regulation (EU) 2021/241, the amended RRP contains measures that contribute to a large extent (rating A) to the digital transition or to addressing the challenges resulting from it. The measures supporting digital objectives account for an amount which represents 26% of the amended RRP’s total allocation calculated in accordance with the methodology set out in Annex VII to that Regulation.
- (15) The measures in the amended RRP continue to significantly contribute to the digital transition through several investments digitalising public administration and health care.

### ***Positive assessment***

- (16) Following the positive assessment by the Commission of the amended RRP, with the finding that the RRP 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 amended RRP, the relevant milestones, targets and indicators, and the amount made available from the Union for the implementation of the amended RRP should be set out.

### ***Financial contribution***

- (17) The estimated total costs of Luxembourg’s amended RRP is EUR 241 100 776. As the amount of the estimated total cost of the amended RRP is equal to the updated maximum financial contribution available for Luxembourg, the financial contribution determined in accordance with Article 4a of Regulation (EU) 2021/1755 of the European Parliament and of the Council<sup>6</sup>, and with Article 20(4) and Article 21a(6) of Regulation (EU) 2021/241 that is allocated for Luxembourg’s amended RRP should be equal to EUR 241 100 776. Therefore, the financial contribution made available to Luxembourg remains unchanged.
- (18) The Council Implementing Decision of 13 July 2021 should therefore be amended accordingly. For the sake of clarity, the Annex to the Council Implementing Decision of 13 July 2021 should be replaced entirely,

---

<sup>6</sup> 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, ELI: <https://eur-lex.europa.eu/eli/reg/2021/1755/oj>).

HAS ADOPTED THIS DECISION:

*Article 1*

*Approval of the assessment of the RRP*

The assessment of the amended RRP of Luxembourg on the basis of the criteria provided for in Article 19(3) of Regulation (EU) 2021/241 is approved.

*Article 2*

*Amendments*

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

the Annex to the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Luxembourg is replaced by the text set out in the Annex to this Decision.

*Article 3*

*Addressee*

This Decision is addressed to the Grand Duchy of Luxembourg.

Done at Brussels,

*For the Council  
The President*



EUROPEAN  
COMMISSION

Brussels, 22.10.2025  
COM(2025) 646 final

ANNEX

**ANNEX**

*to the*

**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(2025) 338 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: Skillsdösch**

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 ("Skillsdösch") 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 - Skillsdäsch	Milestone	Launch of “Skillsdäsch”	Official launch of the “Skillsdäsch” process during the meeting of the Tripartite Coordination Committee				Q3	2020	Launch by the Tripartite Coordination Committee of the collaborative round-table process (“Skillsdäsch”) to analyse the demand for skills, and to identify the most promising job profiles
1A-2	Reform 1 - Skillsdäsch	Milestone	Launch of the vocational trainings («skillsbridges»)	Official launch of training by opening registrations for interested participants				Q2	2022	Vocational trainings designed under the Skillsdäsch 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

## **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**

The objective of this reform is to respond to the healthcare workforce shortage challenges. It consists of revising the responsibilities of healthcare professions and introducing new measures within hospital structures.

#### **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). It consists of a system of teleconsultations for remote monitoring between medical professionals and patients.

## **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 - Gesondheetsdösch	Milestone	Kick-off and preparatory phase of the Gesondheetsdösch ' 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 Gesondheetsdösch 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 - Gesondheetsdösch	Milestone	Work programme	Publication of the work programme				Q4	2021	<p>Publication of the work programme to guide the implementation of the "Gesondheetsdösch" 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 Gesondheetsdösch 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>

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	
										WG5: Use of new technologies in health care  WG6: Financing the health system: financial sustainability of the system
1B-4	Reform 2 – Strengthening Health System Resilience - Reforming the remits of health professionals	Milestone	Revising healthcare professions and introducing new measures within hospital structures	Entry into force of legal acts				Q3	2025	Entry into force of amending legal acts on 1) the practice and upgrading of health professions and 2) on hospitals and hospital planning; on the practice of the profession of doctor, dental practitioner and veterinary surgeon; and the Social Security Code.
1B-5	Reform 2 – Strengthening Health System Resilience - Reforming the remits of health professionals	Milestone	Responsibilities of general care nurses	Entry into force of legal act				Q3	2026	Entry into force of the legal act defining responsibilities of general care nurses
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	5 000	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- Strengthening health system resilience - Telemedicine solution for	Milestone	“Maela”	The remote-monitoring solution “Maela” allowing remote				Q1	2021	The remote-monitoring solution “Maela” allowing remote medical monitoring between health professionals (including doctors and nurses) and patients shall be operational with 3 000 remote monitoring protocols carried out between 23/03/2020 and 07/02/2021.

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	
	remote medical follow-up of patients			medical monitoring between health professionals (including doctors and nurses) and patients is operational						
1B-8	Investment 2 - Strengthening health system resilience - Telemedicine solution for remote medical follow-up of patients	Milestone	An integrated solution	The internally developed solution is online and accessible				Q2	2023	The new internally developed monitoring solution allowing the creation and management of patient medical files of asylum seekers and people under international protection is online and accessible.

## **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 1 200 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 agreements with the municipalities enabling the implementation of a “Local Housing Action Programme”.
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%<sup>1</sup>, 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 Directive<sup>2</sup> 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 enhance the network of charging points for electric vehicles across Luxembourg. This investment consists in the adoption of a support scheme to support both publicly accessible charging points and charging points which are not accessible to the public.

---

<sup>1</sup> Source: European Environment Agency, greenhouse gases data viewer

<sup>2</sup> 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

## **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 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-4	Investment: Support scheme for charging points	Target	Number of installed charging points	-	Supply metric	0	2 986	Q4	2025	Number of charging points (expressed in terms of supply metric) supported by the support scheme, that are installed. 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.

## **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 measure aims to encourage municipalities to engage in natural environment and biodiversity protection actions. The measure consists in supporting municipalities signing a 'Naturpakt' contract with the State and achieving certification for their performance.

## 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-5	Reform and investment: 'Naturpakt'	Target	'Naturpakt' certification	-	Certification	0	50	Q1	2025	A total of 50 municipalities are certified under the 'Naturpakt', based on a positive audit assessment that each municipality has achieved a performance level of 40% of the maximum achievable score.

## **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 100 km.

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.

#### **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. One demonstration is to be performed to gain experience regarding the technology.

## **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-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	Ex-post report on the cross-border quantum key distribution terrestrial connection demonstration	Submission of the ex-post report				Q1	2023	Ex-post report submitted by the contractor on the cross-border quantum key distribution terrestrial connection demonstration.

## **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 and Case Management**

The measure aims to digitalise document management in the public administration. This investment consists in establishing a central platform to provide electronic document management and to enable shared workflow between government entities.

#### **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 measure aims to digitalise the services of the public employment agency (ADEM). This investment consists in upgrading ADEM's IT resources to allow the public to have access to digital administrative procedures through an online public portal.

### Investment 4: National platform for public survey management

The measure aims to support the development of a national platform for the management of public surveys. This investment consists in the creation of a national platform that allows public administrations to manage and create public surveys.

## **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-4	Investment 1 – Electronic Document Management and Case Management	Target	GED and Case Management with shared workflow between government entities		Number	0	5	Q2	2024	Five government entities shall be provided with an individualised electronic document management and case management solution. The platform shall include three modules related to the automation of standard procedures. A connection shall be established between two government entities to enable shared workflow.
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).

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-7	Investment 2 - Development of MyGuichet-Project 2/3: Various C2G and B2G approaches	Target	12 new services		Number	0	12	Q4	2022	Implementation and availability of 12 new services for citizens and businesses, accessible via MyGuichet.lu.
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-12	Investment 3 - 'eADEM'	Milestone	Digital administrative procedures linked to eADEM	Digital administrative procedures linked to eADEM are accessible to the public				Q2	2026	eADEM is accessible to the public. Digital administrative procedures linked to eADEM are accessible to the public via the MyGuichet platform.

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-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	90 municipalities have access to the national platform and shall be able to create and manage 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 21<sup>st</sup> 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**

The objective of this reform is to reinforce 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 related measures consist in the reinforcement of the national provisions on the fight against ML and TF, the publication of ML/TF risk assessments, the revision of the legislative framework and digital tools of the Luxembourg Business Register and the reinforcement of the legal framework applicable to trust and company service providers.

## 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 terrorist financing	Milestone	Vertical risk assessment in the area of terrorist financing	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 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.

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-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	Luxembourg Business Register	Entry into force of a legislative act				Q4	2025	Entry into force of the act extending the Luxembourg Business Register's sanctioning, controlling, and executive powers.  The upgraded Luxembourg Business Register website is online and accessible.
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 service providers	Finalisation of a study				Q4	2021	Finalisation of the study on the reinforcement of the regime applicable to trust and company 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**

This reform aims to increase the production and uptake of sustainable biogas. The reform consists in the revision of Luxembourg's existing sustainable biogas support scheme.

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

The objective of this investment is to increase energy efficiency and the use of renewable energy in the housing sector. The measure consists in providing financial support for interventions in housing units to increase energy efficiency and the use of renewable energy.

#### **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. The investment consists in providing financial support for the acquisition of zero-emission vehicles.

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

This investment aims to foster the use 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.

Investment 4: Scaled up measure: Investment [2A-4]: Support scheme for charging points

The objective of this investment is to scale up Investment [2A-4]: Support scheme for charging points under component 2A.

The scaled-up part of this measure consists in a support scheme to support both publicly accessible charging points and charging points which are not accessible to the public.

## **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	<p>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.</p> <p>The Grand-Ducal Regulation 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 sources.</p>
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 grant approvals for housing energy projects		Number	0	6 290	Q3	2026	Grant approvals for 6 290 housing energy projects 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.
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	27 419	Q1	2025	27 419 zero-emission vehicles acquired.

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-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 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	74.69	Q3	2026	74.69 MWc of photovoltaic capacity of power generation units installed in business premises.
4A-8	Investment 4: Scaled-up measure: Investment [2A-4]: Support scheme for charging points	Target	Number of installed charging points	-	Supply metric	2 986	3 200	Q2	2026	<p>Number of charging points (expressed in terms of supply metric) supported by the support scheme, that are installed.</p> <p>The 'supply metric' shall be calculated according to the methodology defined in Transport &amp; 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.</p>

## **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	<p>A repository system for monitoring the implementation of the RRF shall be in place and operational.</p> <p>The system shall include, as a minimum, the following functionalities:</p> <p>(a) collection of data and monitoring of the achievement of milestones and targets;</p> <p>(b) collect, store and ensure access to the data required by Article 22(2) points (d)(i) to (iii) of the RRF Regulation.</p>
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	<p>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.</p>

## 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	“Maela”
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)
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)

<b>Sequential Number</b>	<b>Related Measure (Reform or Investment)</b>	<b>Milestone / Target</b>	<b>Name</b>
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 — Gesondheitsdësch	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
		<b>Instalment Amount</b>	<b>EUR 24 858 611</b>

1.2. Second Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
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
		<b>Instalment Amount</b>	<b>EUR 59 891 672</b>

1.3. Third Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
1B-4	1B: Reform 2 – Strengthening Health System Resilience — Reforming the remits of health professionals	Milestone	Revising healthcare professions and introducing new measures within hospital structures
1B-8	1B: Investment 2-Strengthening health system resilience – Telemedicine solution for remote medical follow-up	Milestone	An integrated solution
2B-5	2B: Reform and investment: ‘Naturpakt’	Target	‘Naturpakt’ certification of 50 municipalities
3A-4	3A: Investment 1 -Development and deployment of test infrastructure and ultra-secure connectivity solutions	Milestone	Ex-post report on the cross-border quantum key distribution terrestrial connection demonstration
3B-4	3B: Investment 1 – Electronic Document Management and Case Management	Target	GED and Case Management with document exchange between government entities
3B-14	3B: Investment 4 – National platform for the management of public surveys	Target	Integration process of the national platform
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
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-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
		<b>Instalment Amount</b>	<b>EUR 95 560 498</b>

1.4. Fourth Instalment (non-repayable support):

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
2A-4	2A: Investment: Support scheme for charging points	Target	Number of installed charging points
1B-5	1B: Reform 2 – Strengthening Health System Resilience — Reforming the remits of health professionals	Milestone	Responsibilities of general care nurses
3C-7	3C: Reform 2 – Fight of money laundering and terrorist financing	Milestone	Transformation of Luxembourg Business Register
4A-3	4A: Investment 1 - Promotion of energy efficiency and renewable energy in housing	Target	Number of grant approvals for housing energy projects
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
4A-8	Investment 4: Scaled-up measure: Investment [2A-4]: Support scheme for charging points	Target	Number of installed charging points
3B-12	3B: Investment 3 - ‘eADEM’	Milestone	Two digital administrative procedures linked to eADEM
		<b>Instalment Amount</b>	<b>EUR 60 789 995</b>

## **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.