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Subject:	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

Delegations will find attached document COM(2025) 94 final/2 ANNEX.

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ANNEX

CORRIGENDUM
This document corrects document COM(2025) 94 final of 04.03.2025.
“Care” replaced by “nursing” and deletion of a sentence in Section B1 Reform 2, deletion of sequential number 1B-3 in section B.2 and deletion of sequential number 1B-3 in section 1.2.
Concerns the English version of the annex only.
The text shall read as follows:

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

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

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 nursing assistants shall also be created.

The first professions to be targeted by this redefinition of competences are nurses and nursing 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). 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 — Gesondheetsdësch	Milestone	Kick-off and preparatory phase of the Gesondheetsdësch' 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 Gesondheetsdësch 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 — Gesondheetsdësch	Milestone	Work programme	Publication of the work programme				Q4	2021	Publication of the work programme to guide the implementation of the "Gesondheetsdësch" 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 Gesondheetsdësch working groups :

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	
										WG1: Better complementarity between inpatient and outpatient sectors WG2: Improving relations between patients and care providers WG3: Demography of medical and nursing staff: levers to prevent a shortage WG4: Prevention in the health sector: towards a paradigm shift 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	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	Milestone	Competences, tasks and assignments of other health professions (including specialised nurses, therapists, midwives,	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,

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	
	remits of health professionals		social workers and dieticians)							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	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 remote medical follow-up of patients	Milestone	“Maela”	The remote-monitoring solution “Maela” allowing remote medical monitoring between health professionals (including doctors and nurses) and patients is operational				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.
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

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	
										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 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 Directive[2] 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 charging points, and points which are not accessible to the public (infrastructure for charging fleets of electric vehicles, and recharging at work for employees).

[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

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 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	1 300	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	Target	Number of operational	-	'Supply metric'	1 300	2 600	Q2	2025	Number of charging points (expressed in terms of supply metric) supported by the support scheme, that are made operational.

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	
	charging points		charging points							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 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 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.
3A-5	Investment 1 - Development and deployment of test infrastructure and ultra-	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.

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	
	secure connectivity solutions.									

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 Document Management and Case Management	Target	Entry into operation of two interconnectors between bodies (cross-tenants) to allow the		Number	0	2	Q2	2024	Entry into operation of two interconnections between instances (cross-tenants workflow). The 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

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	
			implementation of workflow and case management between different state entities.							
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 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

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-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 systems to eADEM	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.
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	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

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	
	the management of public surveys									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 Directive[3], 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

[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.

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.

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	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	
	terrorist financing									
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 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	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

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							

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 Strategy[4] 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 sources[5].

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

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

[4] Stratégie nationale biogaz "Nationale Strategie für den Ausbau der Biogasproduktion in Luxemburg", 06/2023, https://biogasvereenegung.lu/wp-content/uploads/2023/11/Strategie-nationale-production-de-biogaz-luxemburgde-2023.pdf

[5] OJ, L 328, 21.12.2018, p. 82.

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.
4A-3	Investment 1 – Promotion of energy efficiency and renewable	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;

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	
	energy in housing									• 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 aquisition of zero emission vehicles	Entry into force of Grand-Ducal Regulation reforming the scheme supporting the aquisition 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	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	Target	Installed photovoltaic capacity of power generation units in		MWc	0	25	Q4	2024	25 MWc of photovoltaic capacity of power generation units installed and operational in business premises.

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	
	business premises		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, Luxemburg 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	"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)

Sequential Number	Related Measure (Reform or Investment)	Milestone / Target	Name
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 — Gesondheetsdësch	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
2A-2	2A: Investment: Support scheme for charging points	Milestone	Law on the support scheme for charging points
1A-2	1A: Reform 1 - Skillsdësch	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.