RRF 1st Payment request – LUXEMBOURG

Preliminary assessment by the Commission

EPC meeting – 10/05/2023
### State of play on implementation: EUR 152 bn disbursed

| Category                                                                 | Country Codes | BE | CY | DE | DK | EL | ES | FR | IT | LU | LT | LV | PT | SI | CZ | HR | AT | IE | SK | MT | RO | FI | EE | PL | HU | SE | BG | NL |
|--------------------------------------------------------------------------|---------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 27 plans approved by the Commission + adopted by Council                |               |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 21 pre-financing disbursed (EUR 56.6 bn grants and loans)               |               |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 22 Operational Arrangements signed                                     |               |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 27 payment requests submitted to the Commission                        |               | 2x | 3x | 3x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x |
| 23 payments disbursed (EUR 95 bn)                                      |               | 2x | 3x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x | 2x |
| 7 modified plans submitted by Member States                            |               |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 4 REPowerEU chapters submitted by Member States                        |               |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 7 modified plans submitted by Member States                            |               |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |

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2. No pre-financing requested.

Prerequisite to request pre-financing: CID was adopted by 31 December 2021.
Speed of disbursement

[Bar chart showing the speed of disbursement for various countries, with bars indicating pre-financing paid, payment request completed, and payment request ongoing.]
## Overview of the request

<table>
<thead>
<tr>
<th>26 milestones &amp; targets</th>
<th>15 measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measures implemented until 1st half of 2022</td>
<td>7 reforms and 8 investments</td>
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<tr>
<td>€ 20 million in grants</td>
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</tbody>
</table>
Summary of measures under 1st payment

Examples of Key Measures

- Entry into force of the “Housing Pact 2.0” reform
- Upskilling of the workforce with the launch of the “FutureSkills” programme
- Green mobility measures
- Reform for the protection of environment and biodiversity
- Digitalisation of the public sector with the development of “MyGuichet.lu”
- Investments in cyber security
- Preparing health system reforms
- Fight of money laundering and terrorist financing

Breakdown by RRF Policy pillar

- Green transition: 1.28M
- Digital transformation: 4.8M
- Smart, sustainable and inclusive growth: 3.2M
- Social and territorial cohesion: 4.16M
- Health, and economic, social and institutional resilience: 6.39M
Audit and control

The A&C system was assessed positively in the context of the approval of this first payment request.

AC-1: repository system for Audits and Controls and information for monitoring the implementation of the RRP

AC-2: implementation of procedures to protect the financial interests of the EU

+ Commitment on AC-2 (protection of the EU financial interests) by the authorities of Luxembourg to improve their risk mapping within the six months following the assessment.
Green transition

Mobility

• Milestone 2A-1: entry into force of a legal framework which defines the minimum percentages of clean vehicles among vehicles procured by public contracts.

Biodiversity

• Milestone 2B-2: entry into force of a Law setting out a Naturpakt with municipalities: Agreements with municipalities for the protection of nature and biodiversity.
Digital transition

Digitalisation

- Milestone 3B-9: Development of an application for mobile phones on MyGuichet.lu
- Milestone 3B-10: Creation of ADEM 2025 Strategy

Ultra-secure connectivity solutions

- Milestone 3A-3: entry into operation of the LuxQCI Laboratory. This laboratory shall provide the necessary expertise to the scientific community to develop and operate the quantum communication infrastructure.
Social dimension

Milestone 1A-1 Official launch of the “Skillsdësch” process to analyse the demand for skills, and to identify the most promising job profiles.

Milestone 1A-3 and Targets 1A-4 and 1A-5: FutureSkills programme: trainings for job seekers, including a target for 45+.

Milestone 1B-1 Kick-off of the Gesondheetsdësch process to strengthen the health system resilience.

Milestone 1B-7 Remote medical monitoring between health professionals and patients (Maela).
Economic, social and institutional resilience

Anti-Money laundering

- Milestone 3C-2 fight against money laundering and terrorist financing
  Reform of the legal regime applicable to trust and company service providers

Sustainable and affordable housing

- Milestone 1C-1: entry into force of the “Housing Pact 2.0”
  Reform aimed at increasing the supply of affordable housing offered by municipalities
**Key reform: Anti-money laundering**

1) **Reinforcement of the national provisions** on the fight against money laundering (AML) and terrorist financing (TF) applicable to professionals providing trust and company services.

- Milestone 3C-2: Entry into force of Act of 25 March 2020 on AML and TF
- Milestone 3C-3: Entry into force of the Grand-Ducal Decree of 14 August 2020 on AML and TF
- Milestone 3C-8: Study reviewing the current legal regime applicable to trust and company service providers

2) **Deepening the identification, assessment, and understanding of AML and TF risks**

- Milestone 3C-4: Publication of a risk assessment of the threats Luxembourg faces of being a conduit for terrorist financing
- Milestone 3C-5: Publication of a sectoral risk assessment of legal persons
- Milestone 3C-6: 2020 update of National Risk Assessment (NRA) of ML and TF
A disbursement of 20 million would bring the total amount disbursed to-date to 32.4 million
# Next steps

**LU PAYMENT REQUEST – PLANNED CALENDAR**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Submission of the payment request</td>
<td>28 December 2022</td>
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<tr>
<td>Adoption of the preliminary assessment</td>
<td>28 April 2023</td>
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<td>Info session:</td>
<td>3 May 2023</td>
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<td>EPC discussion:</td>
<td>10 May 2023</td>
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<tr>
<td>Adoption by EFC</td>
<td>23 May 2023 (tbc)</td>
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<td>Comitology meeting:</td>
<td>31 May 2023 (tbc)</td>
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<tr>
<td>Payment</td>
<td>13 June (tbc)</td>
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Key reform : Housing pact 2.0

• (1\textsuperscript{st} Payment request) Milestone 1C-1: Entry into force of the Housing Pact 2.0.

Article 1 of the Law of 30/7/2021 defines the Housing Pact 2.0: a cooperation program between the State and the municipalities with the three following objectives:

- to increase the supply of affordable and sustainable housing,
- to mobilise the existing land and residential potential,
- and to improve residential quality.

• Milestone 1C-1 will be followed by targets 1C-2 and 1C-3 (2\textsuperscript{nd} and 3\textsuperscript{rd} instalments), related to

  - the signature of the initial agreement between the government and the participating municipalities,
  - the implementation agreement.