



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère de l'Économie



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DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère de l'Environnement, du Climat
et de la Biodiversité

Luxembourg Social Climate Plan

—

Draft Proposal

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Note on the budgetary implications of the Social Climate Plan:

As this is a draft document subject to change during the public consultation phase, the measures proposed herein have not yet been budgeted. It is understood that any measures within the Social Climate Plan that affect public finances will be subject to the standard budgetary procedure.

Executive Summary

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2.4. Total costs of the plan

In line with Regulation (EU) 2023/955 establishing the Social Climate Fund, and the Commission's *Notice – Guidance on the Social Climate Plans* dated 5 March 2025, Luxembourg has access to funding under two scenarios. Under Scenario 1, where ETS2 is scheduled to begin in 2027, the country is allocated EUR 65,971,873.00 in current prices, following the deduction of support expenditure as outlined in Article 10(3). Under Scenario 2, with ETS2 commencing in 2028, the available amount is reduced to EUR 55,395,458.00, also in current prices and after the same deduction. These figures reflect Luxembourg's financial envelope for implementing its Social Climate Plan, depending on the timeline of ETS2 activation.

3. COMPLEMENTARITY, ADDITIONALITY, AND IMPLEMENTATION OF THE PLAN

3.1. Monitoring and implementation of the Plan

The Interministerial Committee for Climate Action will be responsible for monitoring the implementation of the Social Climate Plan. It will be supported by a network of experts tasked with regularly assessing the effectiveness of implemented measures, monitoring energy poverty, supporting the rollout of initiatives, and contributing to the development of both existing and new measures. This network will comprise experts from STATEC and the relevant ministries. In particular, it will draw on STATEC's analyses, published annually in the *Labour and Social Cohesion Report*.¹¹

The General Inspectorate of Finance will oversee auditing responsibilities, while the Ministry of Finance will serve as the coordinating authority for the Social Climate Plan. In accordance with Regulation (EU) 2023/955 establishing the Social Climate Fund, the coordinating authority is responsible for establishing an effective and efficient internal control system to safeguard the financial interests of the European Union. Requests for additional human resources will be submitted and validated within the framework of the standard *numerus clausus* procedure.

Finally, the creation of an institutional and partnership-based network dedicated to monitoring energy poverty and evaluating measures could serve as a strategic lever for the transposition of Article 24(4) of the European Energy Efficiency Directive (EED). Such a network would enhance cross-sectoral coordination capacity while promoting a user- and territory-centred approach.

3.2. Consistency with other initiatives

Action Plan on the European Pillar of Social Rights

The Social Climate Plan is fully aligned with the principles and objectives outlined in the Action Plan on the European Pillar of Social Rights. This EU initiative seeks to reinforce the Union's social dimension by ensuring that the green and digital transitions are both fair and inclusive. Its priorities include equitable access to essential services, the reduction of inequalities, and the fight against energy poverty and social exclusion.

In this context, Luxembourg's plan represents a concrete national-level implementation of the commitments made at the European level. It reflects the country's determination to embed social

¹¹ <https://statistiques.public.lu/fr/publications/series/analyses/2024/analyses-03-24.html>