



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



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

# Luxembourg Social Climate Plan

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## Draft Proposal

October 2025

***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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vulnerability indicators in this context. Accordingly, a vulnerable micro-enterprise is defined as a *micro-enterprise that is a large energy consumer*—specifically, one whose energy costs account for at least 3% of its annual turnover.

Such enterprises are considered vulnerable due to their high energy consumption relative to their size and their resulting dependence on fossil energy sources, which remains largely unavoidable at present. This analytical approach aligns closely with the principles underpinning the Social Climate Plan, serving the interests of businesses, their employees, and the broader (social) economy in Luxembourg. The measures proposed are designed to shield vulnerable micro-enterprises from the expected price increases under ETS2. They focus on both raising awareness and providing targeted support in the areas of building renovation and transport. Regarding eligible costs, only fossil fuels—such as natural gas, fuel oil, and diesel—will be considered.

## 2. DESCRIPTION OF MEASURES, INVESTMENTS, INTERMEDIATE VALUES, AND FINAL OBJECTIVES

### 2.1. Component C1 – building sector

The building sector is a key lever for achieving climate objectives while promoting social justice. According to the final greenhouse gas emissions report for 2023, it accounts for 20.1% of total emissions.<sup>6</sup>

Several cross-cutting priority areas must be identified to ensure an integrated, inclusive, and responsive approach to energy and social challenges.

First and foremost, the systematic integration of social impacts into the development of climate policy measures is essential. Energy renovation policies should reflect the socio-economic realities of vulnerable households and micro-enterprises with limited resources, to ensure both fairness and effectiveness. This entails not only the precise targeting of financial aid, but also the adaptation of support mechanisms—particularly for vulnerable groups, including tenants and resource-constrained micro-enterprises.

At the same time, support for infrastructure projects in the building sector—including collective energy renovations, sustainable social housing initiatives, and the installation of renewable energy at the local level—must be reinforced. These initiatives, often driven by local or community dynamics, enable the pooling of resources, reduce costs for households, and optimize environmental impact. They also contribute to improving quality of life, combating energy poverty, and strengthening social cohesion within neighbourhoods.

The immediate urban environment of buildings—streets, squares, and public spaces—plays a central role in fostering a sustainable and socially equitable living environment. These spaces should be upgraded as areas of proximity, social connection, and shared well-being, particularly in disadvantaged neighbourhoods where green spaces are scarce or housing suffers from poor comfort and energy performance. Such areas, marked by overlapping social and environmental vulnerabilities, require targeted attention in transition policies.

Rethinking public spaces through the lens of social and climate justice is therefore a vital lever for driving an inclusive ecological transition.

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<sup>6</sup> Publication du bilan définitif des émissions de gaz à effet de serre de l'année 2023 (AEV)  
[https://environnement.public.lu/fr/actualites/2025/mars-2025/bilan-gaz-effet-serre-2025.html?utm\\_source=chatgpt.com](https://environnement.public.lu/fr/actualites/2025/mars-2025/bilan-gaz-effet-serre-2025.html?utm_source=chatgpt.com)

Measure Title	No. 1 Just Transition Fund
<b>Description</b>	<p>The Just Transition Fund (JTF), one of the pillars of the European Union’s Just Transition Mechanism, is a financial instrument under EU cohesion policy. Its primary objective is to co-finance projects—up to 50%—that support territories most severely affected by the adverse impacts of the transition to a climate-neutral EU economy by 2050.</p> <p>In Luxembourg, the JTF is implemented through the ERDF and ESF+ programmes, each of which includes a dedicated priority axis for the fund. The Grand Duchy’s national allocation for the JTF amounts to approximately €9.2 million, with around 80% of resources allocated to the ERDF programme and 20% to the ESF+ programme.</p> <p>While the operational framework of the JTF is governed by the ERDF and ESF+ programmes, its strategic framework is defined by the Territorial Just Transition Plan for Luxembourg (TJTP). This plan outlines the JTF’s intervention area, identifies the sectors undergoing transformation, sets development objectives, and specifies eligible operations. It was developed by the Department of Spatial Planning in close collaboration with the Ministry of the Economy (MECO, ERDF managing authority) and the Ministry of Labour (MT, ESF+ managing authority) and was approved by the European Commission in December 2022.</p> <p>To address the challenges of transition in the 11 municipalities of the southern region, the TJTP aims, first, to mitigate the costs of modernising affected sectors, combat energy poverty, promote sustainable local mobility, and develop renewable energy sources; and second, to support workers impacted by the transition through targeted training initiatives.</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MECO, MT
<b>Reference(s)</b>	<p>Measure No. 104 of the NECP</p> <p>Article 175 of the Treaty on the Functioning of the European Union</p> <p>Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund</p>

<b>Measure Title</b>	<b>No. 2 Update of the long-term building renovation strategy</b>
<b>Description</b>	<p>Luxembourg's long-term renovation strategy (LTRS), published in 2020, provides a comprehensive overview of the national building stock, detailing building typologies and their respective energy consumption profiles. Based on this analysis, a series of targeted measures were proposed to accelerate the rate of energy renovations. These measures have since been integrated and updated within the 2024 Integrated National Energy and Climate Plan (NECP).</p> <p>A critical review of municipal planning instruments revealed several barriers to building renovation and the integration of solar energy solutions. In response, a proposal to harmonise municipal regulations concerning renewable energy sources and energy efficiency improvements in buildings has been submitted to local authorities. Additionally, a national regulation governing buildings, public roads, and sites is currently under development.</p> <p>In line with the European legislative framework, the renovation strategy must be updated every five years. Under Directive (EU) 2024/1275 on the energy performance of buildings (EPBD), the LTRS will evolve into the National Building Renovation Plan (NBRP). The final version of the NBRP must be adopted by 31 December 2026.</p>
<b>Type of instrument</b>	Planning
<b>Target(s)</b>	Vulnerable households & micro-enterprises
<b>Responsible entity(ies)</b>	MECO, Klima-Agence
<b>Reference(s)</b>	<p><i>Langfristige Renovierungsstrategie Luxemburg, MEA 2020</i></p> <p>Measure N°316 of the NECP</p>

<b>Measure Title</b>	<b>No. 3 Klimabonus Wunnen subsidy programm</b>
<b>Description</b>	<p>The existing subsidy programmes play a vital role in promoting energy-efficient renovation of housing and advancing the transition toward a more sustainable residential building stock. However, these schemes may encounter certain limitations, particularly regarding accessibility. In the spirit of continuous improvement and social equity, regular evaluations of the aid programme’s effectiveness are essential to ensure that financial support remains pragmatic, impactful, and equitable—while also contributing to national energy performance and emissions reduction targets.</p> <p>Accordingly, subsidies—especially those supporting the construction of sustainable housing, energy-efficient renovations, technical installations that promote renewable energy sources, and energy advisory services—are subject to regular, in-depth reviews. These assessments focus on their practical implementation, environmental impact, and social accessibility.</p> <p>The <i>Klimabonus Wunnen 2026</i> subsidy programm, effective from the 1<sup>st</sup> of January 2026, builds upon the current framework while introducing adjustments aimed at improving fairness and simplicity. Under the new scheme, flat-rate subsidies will be granted regardless of the power output of renewable energy installations. This revised calculation method enables owners of smaller homes with lower-capacity systems to receive proportionally higher support than before. Conversely, owners of larger homes will receive slightly reduced subsidies compared to the current scheme.</p> <p>Additionally, a pre-financing mechanism will be introduced to expand access to energy transition projects for individuals who are ineligible for—or face difficulties obtaining—climate loans.</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MECB, MECO, Klima-Agence
<b>Reference(s)</b>	<p>Measure No. 307 of the NECP</p> <p>Law of 23 December 2016: Establishes an subsidy programm to promote sustainability, the rational use of energy, and the integration of renewable energy sources in the housing sector. It also amends the Law of 23 December 2004, which created the national greenhouse gas emission allowance trading system.</p>

	<p>Grand-Ducal Regulation of 7 April 2022: Defines the implementing measures for the amended Law of 23 December 2016. It also revises the Grand-Ducal Regulation of 23 December 2016, which originally set out the implementation details for the subsidy program promoting sustainability, energy efficiency, and renewable energy in housing.</p>
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<b>Measure Title</b>	<b>No. 4 Pre-financing under the <i>Klimabonus Wunnen</i> subsidy programm</b>
<b>Description</b>	<p>For many households, access to financing remains a significant barrier to undertaking energy renovation projects, replacing heating systems for decarbonization purposes, and installing photovoltaic panels. This structural constraint limits the reach and impact of national energy transition efforts.</p> <p>In pursuit of climate justice—and to ensure that participation in such projects is not limited to households or businesses eligible for traditional bank financing or climate loans—the government will gradually introduce mechanisms for the pre-financing of climate subsidies.</p> <p>Practically speaking, this will enable beneficiaries to advance only the portion of costs not covered by subsidies for eligible investments. Simultaneously, participating companies will promptly receive the public aid amounts, ensuring smooth project execution and reinforcing trust among economic stakeholders.</p> <p>Initially, this mechanism will apply to financial aid for the installation of photovoltaic systems (see Measure No. 5).</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MECB, MECO, Klima-Agence
<b>Reference(s)</b>	Measure No. 309 of the NECP

<b>Measure Title</b>	<b>No. 5 Pre-financing of photovoltaic installations</b>
<b>Description</b>	<p>To pave the way for the implementation of the <i>Klimabonus</i> pre-financing mechanism (see Measure No. 4), the government will first apply this approach to photovoltaic installations. The measure pursues two key objectives: accelerating deployment and establishing a third-party payment system. This system ensures that homeowners only pay the difference between the total installation cost and the subsidy granted, while installers receive the public aid portion promptly streamlining operations and reinforcing trust among stakeholders.</p> <p>A draft law and Grand Ducal regulation were submitted on the 22<sup>nd</sup> of November 2024 to formalize this initiative. Initially, applications for pre-financing will be managed by the Ministry of the Economy (MECO), which already operates a highly automated IT system capable of fast and efficient processing. This guarantees swift reimbursement to businesses. Meanwhile, the Environment Agency (AEV) is developing its own digital tool to take over the processing of applications once finalized.</p> <p>Insights gained from this initial rollout will inform the refinement and gradual expansion of the pre-financing mechanism to other components of the <i>Klimabonus</i> scheme, ensuring its effectiveness and accessibility for all target groups.</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MECB, MECO, Klima-Agence
<b>Reference(s)</b>	<p>Measure No. 30 of the <i>Einfach – Séier – Erneierbar</i> (ESE) Process</p> <p>Bill No. 8463 Introducing a Pre-Financing Procedure for Solar Photovoltaic Installations</p> <p>Draft Grand Ducal Regulation implementing the Law Introducing a Pre-Financing Procedure for Solar Photovoltaic Installations</p>

<b>Measure Title</b>	<b>No. 6 Pre-financing of the ‘Topup Social’ energy efficiency improvement subsidy</b>
<b>Description</b>	<p>The energy efficiency improvement subsidy—also referred to as the ‘Topup Social’ or <i>Klimabonus Wunnen top-up</i>—provides additional financial assistance to individuals undertaking work to make their homes more environmentally friendly and energy efficient. Eligible work must comply with the provisions outlined in Articles 4 or 5 of the amended law of 23 December 2016, which establishes a subsidy program for promoting sustainability, rational energy use, and renewable energy in the housing sector.</p> <p>This subsidy complements the support already granted under the <i>Klimabonus Wunnen</i> programme. The amount awarded through the top-up can reach up to 100% of the <i>Klimabonus</i> aid previously received.</p> <p>To further support vulnerable homeowners, the government is considering the introduction of a voucher system. Beyond its financial role, the voucher would streamline administrative procedures, which are often burdensome and complex for households facing multiple steps in the application process. It would also serve as a pre-financing mechanism, enabling beneficiaries to access the necessary funds upfront without having to advance the costs themselves.</p> <p>One potential avenue under consideration is the integration of this voucher system into the national energy renovation support entity (see Measure No. 9).</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MLOGAT
<b>Reference(s)</b>	<p>Measure No. 311 of the NECP</p> <p>Amended Law of 7 August 2023 on Individual Housing Assistance</p>

<b>Measure Title</b>	<b>No. 7 Individual housing assistance for energy efficiency improvements</b>
<b>Description</b>	<p>The amended law of 7 August 2023 on individual housing assistance introduces support measures that are conditional on household income. Its primary objective is to promote housing renovation and mitigate energy poverty caused by rising energy costs, through the following forms of assistance:</p> <ul style="list-style-type: none"> <li>- Improvement grant for energy efficiency (Social Top-Up): This grant applies to renovation work carried out under Articles 4 or 5 of the amended law of 23 December 2016, which established a scheme to promote sustainability, rational energy use, and renewable energy in the housing sector. The ‘social top-up’ is awarded in addition to the financial assistance provided under the <i>Klimabonus Wunnen</i> scheme. It is available to households with an income up to the median standard of living (decile 5). The maximum amount of the bonus corresponds to 100% of the assistance granted under the <i>Klimabonus Wunnen</i> scheme.</li> <li>- Aid for energy efficiency improvements via climate loans: For renovation work financed through climate loans, a State guarantee and an interest subsidy are provided in addition to the financial assistance available under the <i>Klimabonus Wunnen</i> scheme. These measures support energy renovation efforts in residential dwellings.</li> </ul> <p>In this context, the government intends to apply the pre-financing mechanism (measures No.4 and 5) to the energy efficiency improvement bonus (Social Top-Up) outlined in measure No.6, and to implement a comprehensive overhaul of the climate loan system (measure No.8).</p> <p>To enhance the effectiveness of the individual housing assistance scheme, the government will exclude the ‘Social Top-Up’ grant from the capital assistance ceiling—currently set at €35,000 per beneficiary—thereby reinforcing support for energy renovation efforts.</p> <p>As part of the program’s further development, it is also planned to introduce additional specific support for the acquisition of “Plug&amp;Play” balcony photovoltaic systems. This will enable the vulnerable households concerned to reduce their daily electricity expenses and directly benefit from the electricity produced for their domestic needs.</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MLOGAT

<b>Reference(s)</b>	Measure No. 311 of the NECP Amended Law of 7 August 2023 on Individual Housing Assistance
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<b>Measure Title</b>	<b>No. 8 Overhaul of climate loans</b>
<b>Description</b>	<p>For many households, access to financing remains a significant barrier to undertaking energy renovation work, replacing heating systems for decarbonization purposes, or installing photovoltaic equipment. This structural obstacle substantially undermines the effectiveness of public policies aimed at advancing the energy transition.</p> <p>In response, the government is considering a reform of the current climate loan scheme to enhance the investment capacity of low-income homeowners. This reform may include, where appropriate, adjusting interest rates based on the income level of the applicant household, as well as reassessing the ceiling on capital aid to better reflect the scale of investment required for meaningful energy renovation. The objective is to reinforce both the equity and social impact of the scheme.</p> <p>Simultaneously, attention should be given to the complementarity between the reformed loan scheme and the <i>Klimabonus</i> financial aid pre-financing mechanism currently being implemented, to ensure a coherent and accessible framework for the households concerned.</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MLOGAT, MECB, MECO
<b>Reference(s)</b>	Measure No. 310 of the NECP

<b>Measure Title</b>	<b>No. 9 Establishment of a national entity supporting energy renovation, decarbonization, and photovoltaic installation in residential buildings</b>
<b>Description</b>	<p>The energy renovation of the least efficient residential buildings represents a key lever for achieving national objectives related to greenhouse gas reduction, improved energy efficiency, and the expansion of renewable energy production. However, the complexity of administrative procedures, high associated costs, and the absence of continuous, structured support significantly hinder progress. In addition, the heterogeneity of the building stock and the lack of standardised approaches limit the feasibility of large-scale renovation efforts.</p> <p>In response, Luxembourg intends to strengthen support for owners of low-energy-performance residential buildings, fostering an ambitious, inclusive, and phased renovation dynamic. This initiative aligns with new European requirements under the Energy Performance of Buildings Directive (EPBD, (EU) 2024/1275), currently in the process of transposition.</p> <p>To structure this effort and provide active stakeholder support, the government plans to establish a national entity dedicated to energy renovation, decarbonization, and the installation of photovoltaic systems in residential buildings. This entity will offer end-to-end assistance—from identifying potential improvements to overseeing implementation—while integrating existing support mechanisms. It will target residential property owners, whether occupants or landlords, who voluntarily commit to energy renovation projects.</p> <p>The entity’s structure will be modelled on existing frameworks, such as the Klima-Agence. It will not replace market actors but will operate in close coordination with them—particularly certified energy advisers, members of the OAI, design offices, and skilled tradespeople—as is already the case under the Climate pact (pacte climat) for municipalities.</p> <p>The main roles of this entity will include:</p> <ul style="list-style-type: none"> <li>- Identifying low-performance buildings based on energy performance certificates (EPCs) and nationally defined criteria.</li> <li>- Developing a national and local typology of targeted buildings to standardise renovation approaches and facilitate the planning of ambitious renovations.</li> <li>- Raising awareness and mobilising homeowners, in collaboration with municipalities, social services, the National Institute for Architectural Heritage (INPA), and other relevant stakeholders.</li> <li>- Managing and providing access to energy renovation advisors, sourced from existing market structures.</li> </ul>

	<ul style="list-style-type: none"> <li>- Supporting the planning, financing, and implementation of renovation, decarbonization, and photovoltaic installation measures.</li> <li>- Ensuring quality assurance through the certification of energy advisors.</li> <li>- Integrating existing financial subsidy programmes.</li> <li>- Assisting vulnerable households with subsidy applications, including the introduction of a voucher system (see Measure No. 11).</li> </ul> <p>Initial pilot initiatives aimed at developing such an entity are currently being conducted under the <i>Zesumme rénoviereren</i> project, launched and led by the Klima-Agence (see Measure No. 10). This project is testing an integrated approach built around a building typology—further refined using a renovation simulator—and the deployment of neighbourhood managers to support homeowners, engage local stakeholders, and facilitate coordination across the value chain.</p> <p>The planned expansion of this approach, now under development, underscores the relevance of establishing a single public point of contact capable of ensuring coordination, standardisation, and comprehensive support. In this context, the evolution of the Klima-Agence into a public ‘one-stop shop’ designed to provide enhanced assistance to various target groups emerges as a logical and strategic progression. This transformation would help make the challenges of energy and climate transition more tangible and accessible to Luxembourg society, across all issues related to energy efficiency and climate protection.</p>
<b>Type of instrument</b>	Regulatory
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MECO, Klima-Agence
<b>Reference(s)</b>	Measure No. 327 - NECP

<b>Measure Title</b>	<b>No. 10 Upscaling of the <i>Zesumme renovéieren</i> pilot project in Differdange</b>
<b>Description</b>	<p>Residential buildings constructed before 1995 have the potential to achieve energy savings of up to 80% compared to their original consumption, primarily through improved insulation. Owners of such properties stand to benefit from significantly reduced heating costs and enhanced living comfort.</p> <p>From 2023 to 2025, the <i>Zesumme renovéieren</i> pilot project is being implemented by Klima-Agence, in collaboration with the town of Differdange and with support from the European Union. The project aims to accelerate the rate of renovation in neighbourhoods most suitable for energy upgrades, with a particular emphasis on deep renovation. This is achieved by structuring and intensifying advisory services and support for homeowners throughout the renovation process.</p> <p>Central to the project is the development of a typology of single-family houses, enabling the identification of specific energy-saving needs and potential for each building type. Tailored renovation measures are then proposed, taking into account available public support—including <i>Klimabonus Wunnen</i> state subsidies, municipal aid, and private incentives under the energy efficiency obligation mechanism.</p> <p>The project is also being carried out in cooperation with the National Institute for Architectural Heritage (INPA), with the goal of removing barriers to energy renovation for buildings protected at the municipal level. This involves harmonising the recommendations made by energy advisors with heritage preservation requirements.</p> <p>Another key component of the project involves raising awareness and informing residents through enhanced advisory services and tailored support for <i>Klimabonus</i> grant applications. The Klima-Agence neighbourhood manager, serving as the central point of contact, guides homeowners throughout the renovation process. Each owner receives an information sheet specific to their building, detailing energy performance standards, recommended insulation measures, and the corresponding financial support available.</p> <p>With the medium-term goal of establishing a national building typology, the methodology initially applied in Differdange has been further refined—particularly through the use of the Klima-Agence renovation simulator. This evolution incorporates the success factors identified in Differdange that effectively motivated citizens to undertake energy renovations, while making the approach more efficient and scalable at the national level.</p>

	The gradual roll-out of this model is contributing to the development of a national framework that can be adapted to diverse local contexts, ranging from urban to peri-urban municipalities. In this context, synergies with existing programmes—such as the Climate pact (pacte climat) with municipalities—are actively promoted to ensure structured support for the implementation of local and regional climate and energy policies.
<b>Type of instrument</b>	Research
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	Klima-Agence, Municipalities, MECO, MECB
<b>Reference(s)</b>	Measure No. 328 of the NECP

<b>Measure Title</b>	<b>No. 11 Energy renovation of vacant dwellings</b>
<b>Description</b>	<p>The government plans to launch a pilot project aimed at private property owners who have a vacant dwelling in need of energy renovation.</p> <p>The government would cover part of the energy renovation work for a vacant dwelling, on the condition that the owner makes the property available to a social housing provider for a specified period (for example, 10 or 20 years, as deemed appropriate).</p> <p>Government funding for the renovation work could be subject to a maximum amount, and the rate of support could depend on the duration for which the owner makes the dwelling available.</p> <p>The government would issue a call for projects aimed at private property owners meeting certain criteria. The State's financial contribution could be capped at a maximum amount.</p>
<b>Type of instrument</b>	Economic, Research
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MLOGAT, MECB, MECO
<b>Reference(s)</b>	

<b>Measure Title</b>	<b>No. 12 State aid for the energy renovation of functional buildings</b>
<b>Description</b>	<p>Bill No. 8597 is part of the implementation of the 2023–2028 coalition agreement, which states that for functional buildings, ‘medium-term objectives will be achieved through short-term incentives.’ The bill introduces a new subsidy program designed to encourage owners of functional buildings to undertake energy efficiency improvements ahead of future legal obligations for non-residential buildings. These forthcoming requirements will be established in accordance with Directive (EU) 2024/1275, which mandates the introduction of minimum energy performance standards to be met from 2030 onwards.</p> <p>The subsidy program supports energy renovation through a range of eligible measures, including improving the thermal insulation of the building envelope, installing controlled mechanical ventilation with heat recovery, and installing a heat pump. It also covers the cost of conducting a feasibility study or energy consultation to identify appropriate renovation strategies and develop a tailored energy renovation concept. This concept must aim to meet, at minimum, the required energy performance level based on the building’s initial classification:</p> <ul style="list-style-type: none"> <li>– Buildings with an energy class below E prior to renovation must achieve class E or better after the work;</li> <li>– Buildings already rated class E or higher must reach at least class D and improve by a minimum of one energy class.</li> </ul>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable micro-enterprises
<b>Responsible entity(ies)</b>	MECO
<b>Reference(s)</b>	Bill No. 8597 concerning an subsidy program for investment in energy renovation works for functional buildings

<b>Measure Title</b>	<b>No. 13 Facilitation of energy-related work in co-owned buildings</b>
<b>Description</b>	<p>The Act of 30 June 2022, which amends the revised Act of 16 May 1975 on the status of co-ownership of buildings, introduces several measures to facilitate energy renovation in jointly owned properties. One of the key changes is the simplification of decision-making procedures for certain types of work. Previously requiring a three-quarters majority, the following works can now be approved by an absolute majority of all co-owners: Energy renovation, insulation, installation of energy production and storage systems using renewable energy sources in common areas. If no decision is reached under this condition, a simple majority of co-owners present or represented at a subsequent general meeting will suffice.</p> <p>The law also establishes a mandatory works fund for co-ownerships. This fund is intended to help co-owners gradually build financial reserves, enabling them to better anticipate and cover the costs of future works. Its existence facilitates—or even makes possible—the execution of maintenance, repair, improvement, conversion, and energy renovation projects, as well as the installation of renewable energy systems.</p> <p>In this context, an analysis will be conducted to assess whether the thresholds for establishing a works fund should be adjusted for buildings with poor energy performance.</p> <p>To further support collective decision-making around energy renovation, Klima-Agence, in collaboration with the Ministry of the Economy and the Groupement des Syndics Professionnels du Grand-Duché de Luxembourg (GSPL), is leading the pilot project ‘Energy renovation of co-owned properties’. The initiative aims to encourage property managers and co-owners’ associations of low-energy-performance buildings to undertake renovation projects based on feasibility studies conducted according to predefined specifications.</p> <p>These studies provide tailored recommendations to improve energy efficiency and assess the financial viability of proposed investments before any renovation begins. Following a call for projects, five co-ownerships were selected to receive co-financing covering up to 90% of the feasibility study costs.</p>
<b>Type of instrument</b>	Regulatory, Research
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MECO, MLOGAT, Klima-Agence
<b>Reference(s)</b>	Measure No. 325 of the NECP

	Law of 30 June 2022 amending the revisited Law of 16 May 1975 concerning the status of co-owned buildings, introducing a mandatory works fund
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<b>Measure Title</b>	<b>No. 14 Study on the rental challenges of the energy transition</b>
<b>Description</b>	<p>With a view to promoting social justice in the context of the energy transition, a study will be launched to identify and analyse concrete measures to better protect tenants—particularly the most vulnerable—from the combined effects of rising energy prices and the lack of energy renovation in the rental housing stock.</p> <p>The study will focus specifically on situations in which insufficient investment in energy renovation results in higher living costs for tenants, without any corresponding improvement in comfort or energy performance. This phenomenon disproportionately affects vulnerable households, especially in a context of volatile and rising fossil fuel prices.</p> <p>The objective of the study is to identify effective levers to stimulate the necessary investments, while ensuring a fair distribution of costs and benefits between landlords and tenants. It also seeks to ensure that the efforts made by landlords are supported by appropriate policy instruments. Particular attention will be paid to the most vulnerable tenants, in order to better target the protection and support measures to be implemented.</p> <p>The study will concentrate on three key areas:</p> <ul style="list-style-type: none"> <li>• compensation or targeted support mechanisms for tenants;</li> <li>• legal, fiscal, regulatory, and advisory tools to encourage and assist landlords in undertaking energy renovation;</li> <li>• analysis of structural barriers and potential solutions to promote a more equitable distribution of responsibilities and benefits related to the energy transition in the rental sector.</li> </ul> <p>Among the options under consideration are the linkage of energy performance to rent caps, and the staggering or conditional allocation of <i>Klimabonus Wunnen</i> financial assistance based on landlords' concrete commitments to improving the energy efficiency of their rental properties.</p> <p>The study will also incorporate findings and discussions from the adoption of the Law of 20 December 2019, which defines criteria for the health, hygiene, safety, and habitability of housing and rooms rented or made available for residential use.</p>
<b>Type of instrument</b>	Research
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	Klima-Agence, MLOGAT, MECO, MECB

<b>Reference(s)</b>	
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<b>Measure Title</b>	<b>No. 15 Financial contributions to the construction of affordable rental and sale housing (<i>Aides à la pierre</i>)</b>
<b>Description</b>	<p><i>Aides à la pierre</i> are financial contributions granted to social developers to support the construction of affordable or low-cost housing. The amended Law of 7 August 2023 on affordable housing provides these contributions to encourage the development of such housing projects. Eligible costs are covered across five categories:</p> <ul style="list-style-type: none"> <li>– the category relating to undeveloped land and special development;</li> <li>– the category relating to ordinary servicing;</li> <li>– the category relating to serviced land;</li> <li>– the category relating to the construction of affordable housing;</li> <li>– the category relating to the renovation (e.g. energy efficiency) of housing intended for affordable rental.</li> </ul> <p>Social developers may receive up to 75% of eligible costs for affordable rental housing, while public developers are eligible for up to 50% for affordable housing intended for sale. These subsidies are conditional on long-term allocation: 40 years for non-profit developers and the full lifetime of the housing for public developers.</p> <p>The ministerial regulation of 5 May 2025, which sets out specifications for the development of affordable housing, consolidates recommendations on urban planning, architectural quality, and cost-effectiveness. To support the evaluation of housing subsidy applications, the Ministry of Housing and Spatial Planning has established an advisory committee—the <i>Commission d’accompagnement des Aides à la pierre</i> (CAAP)—which provides expert guidance to the Minister.</p> <p>In this context, the government also plans to include photovoltaic installations (with power specifications to be defined) among the technical equipment eligible for aid under the amended law of 7 August 2023 on affordable housing (see measure No. 16).</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MLOGAT
<b>Reference(s)</b>	Measure No. 312 of the NECP Amended Law of 7 August 2023 on Affordable Housing
<b>Measure Title</b>	<b>No. 16 Support for the installation of photovoltaic systems in affordable housing</b>

<p><b>Description</b></p>	<p>The potential for renewable energy production through photovoltaic systems remains largely untapped in the building sector, particularly within affordable housing. When affordable housing is developed by social entities—such as municipalities, the Housing Fund, the National Low-Cost Housing Administration, non-profit organisations, or foundations—photovoltaic installations are currently excluded from financial contributions under the aid provided by the amended Act of 7 August 2023 on affordable housing.</p> <p>It is important to note that installing photovoltaic panels on buildings designated for affordable housing may lead to increased investment costs for social developers. In cases of resale, these installations may also generate additional costs for purchasers, which fall outside the scope of existing housing subsidies. These financial burdens can pose a significant barrier to the widespread adoption of photovoltaic technologies, particularly among vulnerable households. Nevertheless, integrating photovoltaics into affordable housing represents a strategic lever for accelerating the energy transition in the residential sector.</p> <p>To address this issue, and within the framework of the national consultation <i>Einfach – Séier – Erneierbar</i>, two options are being considered to support the deployment of photovoltaic systems in affordable housing. The aim is to identify the approach that offers the greatest benefit in terms of effectiveness and equity:</p> <ul style="list-style-type: none"> <li>• Include photovoltaic installations (with power specifications to be defined) among the technical equipment eligible for aid under the Act of 7 August 2023 on affordable housing. This would be conditional on the electricity produced being made directly available to tenants. In this case, the social developer would no longer be eligible for investment aid under the <i>Klimabonus</i> scheme if the photovoltaic installation has already been subsidised through the <i>Aides à la pierre</i> framework. This exclusion from <i>Klimabonus</i> would be addressed in a future amendment to the relevant legislation.</li> <li>• Establish a separate, more advantageous scheme for social developers within the <i>Klimabonus</i> framework, provided that the electricity generated by the photovoltaic installation is made directly available to tenants.</li> </ul> <p>The government intends to conduct a thorough evaluation of both options to determine which approach will most effectively and equitably support the development of photovoltaic energy in affordable housing.</p>
<p><b>Type of instrument</b></p>	<p>Economic</p>

<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MLOGAT, MECB, MECO, Municipalities, Klima-Agence
<b>Reference(s)</b>	Measure 36 of the ESE process Law of 7 August 2023 on Affordable Housing Legislation on Klimabonus subsidies

<b>Measure Title</b>	<b>No. 17 Installation of photovoltaic systems on residential buildings</b>
<b>Description</b>	<p>The potential for renewable energy production in the building sector—particularly through photovoltaic systems—remains significantly underutilized, especially in the case of new residential construction. Yet, the integration of these technologies is a critical lever for accelerating the energy transition. High initial installation costs continue to pose a substantial barrier for many households, limiting the widespread adoption of photovoltaic solutions.</p> <p>To address this challenge and ensure equitable and structured implementation, the government will introduce a mandatory standard requiring the installation of photovoltaic systems on new residential buildings, covering a minimum portion of the roof surface. This regulatory measure forms part of a broader strategy to progressively expand the use of renewable energy within the housing sector. The costs will be pre-financed by the state if the individuals concerned are unable to finance the installation.</p> <p>As part of the national consultation <i>Einfach – Séier – Erneierbar</i>, it is proposed to enshrine in legislation a ‘right to photovoltaics,’ aimed at facilitating the installation of photovoltaic systems in condominiums where the necessary majority cannot be achieved at a general meeting. Complementing this initiative, it is also proposed to enhance the advisory and support services provided to property managers by Klima-Agence.</p>
<b>Type of instrument</b>	Regulatory
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MECO, MECB, Klima-Agence
<b>Reference(s)</b>	Measure No. 205 – NECP Measure No. 48 of the ESE Process

<b>Measure Title</b>	<b>No. 18 Social leasing – heat pumps and photovoltaic panels</b>
<b>Description</b>	<p>Despite existing subsidy programmes, the initial investment required to install photovoltaic panels, domestic batteries, or sustainable heating systems—such as heat pumps—remains a significant obstacle for many vulnerable households. This financial barrier perpetuates reliance on fossil fuels, exposing these households to rising energy costs and depriving them of the benefits of the energy transition, particularly in terms of self-consumption and energy autonomy.</p> <p>To address these barriers and provide more effective support, the government will assess the feasibility of introducing a social leasing model for photovoltaic installations, potentially including domestic batteries and heat pumps. Inspired by the mechanism currently under development for social car leasing, this scheme would offer affordable and flexible monthly payment plans that cover maintenance and repair costs, and, where appropriate, include an option to purchase at the end of the contract.</p> <p>The design of this mechanism will build on insights gained from the study and ongoing development of social car leasing, while being tailored to the specific technical and economic characteristics of each technology. The overarching goal is to provide a simple, inclusive solution that enables vulnerable households to benefit directly from the economic and environmental advantages of the energy transition—without the burden of a substantial upfront investment.</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	MECO, MECB
<b>Reference(s)</b>	

<b>Measure Title</b>	<b>No. 19 'State Energy Community' for sharing renewable electricity with vulnerable households and micro-enterprises</b>
<b>Description</b>	<p>Despite existing subsidy programmes, the initial investment required to install photovoltaic panels remains beyond reach for many low-income households and micro-enterprises. This financial constraint hampers the adoption of decentralised solar technologies, which are essential for achieving an inclusive and sustainable energy transition.</p> <p>While this barrier may be addressed through the social leasing model (see Measure No. 18), its implementation can be hindered by factors such as limited available space, technical constraints, or other contextual limitations. As a result, households and micro-enterprises unable to install their own photovoltaic systems are excluded from the benefits of self-consumption and enhanced energy flexibility. Consequently, they are likely to face higher average electricity costs compared to those able to invest directly in the energy transition.</p> <p>The State possesses suitable areas for the installation of renewable energy infrastructure—including land along motorways and State-owned buildings and properties—particularly for photovoltaic energy and, where appropriate, wind energy. Depending on the location, the State may not be able to consume all, or part of the electricity produced on site. In such cases, it could either redirect this electricity to other State-owned consumption sites or make it available to vulnerable households and/or micro-enterprises under affordable conditions through electricity sharing. When implemented locally, such sharing could also yield positive effects on electricity networks, where applicable.</p> <p>A study will be undertaken to examine the practical modalities of this model, in line with the provisions of the amended Law of 1 August 2007 on the organisation of the electricity market, which incorporates relevant European directives addressing energy poverty.</p>
<b>Type of instrument</b>	Regulatory
<b>Target(s)</b>	Vulnerable households and micro-enterprises
<b>Responsible entity(ies)</b>	MECO
<b>Reference(s)</b>	

<b>Measure Title</b>	<b>No. 20 Awareness-raising, information, and advisory services on buildings</b>
<b>Description</b>	<p>Klima-Agence offers a comprehensive range of services aimed at raising awareness and informing various stakeholders about energy-related issues in buildings.</p> <p>For owners and tenants of residential buildings, Klima-Agence provides a basic advisory service designed to offer an initial overview of energy renovation options and available financial assistance—particularly through its subsidy simulator and energy renovation simulator. During consultations, Klima-Agence advisers also provide guidance on the conditions for obtaining an Energy Performance Certificate (EPC), the mandatory heating system assessment (<i>Heizungsscheck</i>), and measures to optimise and modernise heating systems.</p> <p>Klima-Agence regularly conducts awareness campaigns, typically in collaboration with the relevant ministry or ministries, addressing topical issues such as the launch of new subsidy programmes, the promotion of renewable energy, and other energy transition priorities.</p> <p>At the municipal level, these initiatives fall under the framework of <i>Climate pact (pacte climat) 2.0</i>, which encourages measures including the renovation of municipal buildings. In this context, a dedicated energy renovation adviser supports municipalities at a strategic level (see Measure No. 23).</p> <p>For businesses, the <i>Klimapakt für Betreiber</i> offers targeted measures to improve the energy performance of commercial buildings (see Measure No. 24).</p>
<b>Type of instrument</b>	Information
<b>Target(s)</b>	Vulnerable households and micro-enterprises
<b>Responsible entity(ies)</b>	Klima-Agence, MECO, MECB, MLOGAT
<b>Reference(s)</b>	Measure No. 317 of the NECP

<b>Measure Title</b>	<b>No. 21 Assistance for energy-poor households</b>
<b>Description</b>	<p>The <i>Assistance for fuel-poor households</i> programme is designed to provide targeted support to vulnerable households experiencing fuel poverty—defined as households lacking sufficient financial means to adequately heat their homes and/or having been unable to pay electricity, gas, water, or heating bills within the past 12 months.</p> <p>Eligible households are identified, contacted, and informed about this specific assistance offer by social services.</p> <p>Support includes personalised energy advice provided by Klima-Agence, along with a subsidy for the replacement of one or more energy-intensive household appliances and/or the purchase of new energy-efficient appliances (e.g. refrigerator, freezer, dishwasher, washing machine, and tumble dryer). This service aims not only to inform and raise awareness, but also to improve the living conditions and overall quality of life of the households concerned.</p> <p>To guide the development of the programme, an in-depth analysis was conducted based on field feedback and consultations with relevant social actors. The following key priorities were identified:</p> <ul style="list-style-type: none"> <li>• implementation of a specific procedure for emergency cases;</li> <li>• administrative simplification and digitisation of the process;</li> <li>• expansion of access points beyond social services offices;</li> <li>• strengthening/developing partnerships and diversifying awareness-raising formats.</li> </ul> <p>In the context of the programme’s development, Klima-Agence will study the modalities of the introduction of an additional specific support measure for the acquisition of “Plug &amp; Play” balcony photovoltaic systems, enabling the vulnerable households concerned to reduce their daily electricity expenses and to directly benefit from the electricity produced for their domestic needs.</p>
<b>Type of instrument</b>	Information, Economic
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	Klima-Agence, MECO, MFSVA, MECB
<b>Reference(s)</b>	Measure No. 329 of the NECP

<b>Measure Title</b>	<b>No. 22 Specialised energy advisory service for replacing fossil fuel heating systems with renewable solutions</b>
<b>Description</b>	<p>For many vulnerable homeowners, the cost of replacing fossil fuel-based heating systems presents a significant barrier to transitioning toward renewable energy solutions. Despite the availability of existing schemes and financial assistance, these households often remain excluded from the decarbonization of the residential sector due to insufficient financial resources.</p> <p>As part of the <i>Assistance for fuel-poor households</i> programme (see Measure No. 21), the government plans to strengthen Klima-Agence's specialised energy advisory service, with a focus on supporting the replacement of fossil fuel heating systems with renewable alternatives. Individualised support will be provided by energy advisers, working in close collaboration with social actors such as social services.</p> <p>Key tasks will include:</p> <ul style="list-style-type: none"> <li>• identifying vulnerable homeowners;</li> <li>• conducting an initial, neutral, and free assessment of the property;</li> <li>• assisting in the collection of quotes from qualified companies, as part of Klima-Agence's basic advisory service;</li> <li>• supporting the preparation and submission of grant applications.</li> </ul> <p>This targeted approach aims to eliminate the technical, financial, and administrative barriers that hinder energy renovation efforts among the most vulnerable homeowners, thereby promoting a more inclusive energy transition.</p>
<b>Type of instrument</b>	Regulatory, Budgetary
<b>Target(s)</b>	Vulnerable households
<b>Responsible entity(ies)</b>	Klima-Agence, MECO, MECB, MLOGAT
<b>Reference(s)</b>	

<b>Measure Title</b>	<b>No. 23 Strengthening the social dimension of Climate pact (pacte climat) 2.0 with municipalities</b>
<b>Description</b>	<p>As part of <i>Climate pact (pacte climat) 2.0</i>, municipalities will be encouraged to broaden the remit of the <i>Klimaschäffen</i> to include responsibilities related to the just transition.</p> <p>To reinforce the social dimension and ensure consistent implementation, it is proposed to establish structured coordination between <i>Klimaschäffen</i>, municipal social officers (<i>Sozialschäffen</i>), and social services. The development of clear guidelines will provide an operational framework and the necessary tools to effectively address the social components of climate-related initiatives.</p> <p>In this context, targeted support will be offered to <i>Klimaschäffen</i>, particularly through the organisation of dedicated events and participatory workshops in close collaboration with actors from the social sector.</p> <p>These measures aim to equip <i>Klimaschäffen</i> with the knowledge and resources needed to become key drivers of the just transition at the local level, complementing the technical actions already in place.</p> <p>Simultaneously, Klima-Agence will carry out a comparative analysis of international projects to identify concrete opportunities for enriching or adapting the existing measures within the Climate pact (pacte climat) catalogue.</p>
<b>Type of instrument</b>	Voluntary agreement
<b>Target(s)</b>	Vulnerable households and micro-enterprises
<b>Responsible entity(ies)</b>	MECB, Klima-Agence, Municipalities
<b>Reference(s)</b>	<p>Measure No. 106 of the NECP</p> <p>Law of 25 June 2021 Establishing a Climate pact (pacte climat) 2.0 with Municipalities</p>

<b>Measure Title</b>	<b>No. 24 Climate pact (pacte climat) for Businesses (<i>Klimapakt fir Betriber</i>) – Basic advisory services for vulnerable micro-enterprises</b>
<b>Description</b>	<p>The <i>Climate pact (pacte climat) for Businesses</i> (KPB – <i>Klimapakt fir Betriber</i>), primarily targeting small and medium-sized enterprises (SMEs), serves as a strategic guidance platform that facilitates consultation, coordinated implementation of projects and activities among various stakeholders, and the management of new programmes supporting the shared goal of climate protection and energy transition in the business sector. It is based on voluntary commitments by participating businesses, enabling long-term monitoring of their decarbonization and energy transition efforts.</p> <p>The KPB encompasses both existing and emerging support measures, as well as programmes yet to be developed according to identified needs, in compliance with state aid regulations.</p> <p>It offers a comprehensive overview and ensures consistency across all services available to support businesses and the broader economy in their decarbonization and energy transition efforts. These services include expert advice, access to practical toolkits, co-financing opportunities, and networking—both between key stakeholders and businesses, and among businesses themselves.</p> <p>Vulnerable micro-enterprises face distinct challenges in engaging with the energy transition and decarbonising their operations. Success in this area hinges on tailored support and ongoing monitoring. To this end, it is proposed to establish a basic advisory service—delivered by institutional advisers within the KPB—focused on cost control, energy consumption, decarbonization strategies, and presentation of co-financing options for transition projects. This advisory service will serve as the foundation for continued monitoring and guidance, helping micro-enterprises access tools such as the <i>Potenzialcheck</i> with a corresponding action plan, and facilitating connections with implementation partners.</p> <p>The KPB is overseen by a steering committee and jointly managed by Luxinnovation and Klima-Agence. The steering committee comprises representatives from MECO, MECB, Klima-Agence, Luxinnovation, FdA, FEDIL, CdM, CdC, and the Luxembourg Confederation.</p>
<b>Type of instrument</b>	Voluntary agreement
<b>Target(s)</b>	Vulnerable micro-enterprises
<b>Responsible entity(ies)</b>	Klima-Agence, Luxinnovation, MECO, MECB,
<b>Reference(s)</b>	Measure No. 511 of the NECP

<b>Measure Title</b>	<b>No. 25 General aid for SMEs – Investment support</b>
<b>Description</b>	<p>The government is committed to promoting the sustainable development of small and medium-sized enterprises (SMEs) by exploring targeted adjustments to financial support mechanisms and developing assistance models tailored to the specific realities of these businesses. Additionally, an expansion of the SME Packages offering is under consideration to better address the various stages of business development and the diversity of sectors.</p> <p>A new subsidy program for SMEs has been introduced, valid until the 30th of September 2026, covering 50% of eligible costs for the installation of private charging infrastructure by small businesses.</p> <p>Furthermore, an amendment to the framework law on state aid for SMEs has been tabled. This legislative update aims to respond more effectively to current challenges, particularly those related to investment in the initial creation of businesses, in alignment with national climate and economic priorities.</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable micro-enterprises
<b>Responsible entity(ies)</b>	MECO
<b>Reference(s)</b>	<p>Measure No. 515 of the NECP</p> <p>Amended Law of 9 August 2018 on an subsidy program for small and medium-sized enterprises</p> <p>Amended Law of 26 July 2022 on the subsidy program for enterprises investing in charging infrastructure for electric vehicles</p> <p>Draft Law No. 8475 amending the amended Law of 9 August 2018 on an subsidy program for small and medium-sized enterprises</p>

<b>Measure Title</b>	<b>No. 26 Subsidy programm for businesses – Environmental and climate protection</b>
<b>Description</b>	<p>To contribute effectively to the decarbonization of the economy, businesses must have access to support instruments tailored to innovative technologies and emerging forms of sustainable investment. The current legal framework, which is largely based on traditional approaches, does not yet fully address the rapidly evolving needs—particularly in the areas of sustainable mobility, energy performance, and the transition to a circular economy.</p> <p>To optimise the environmental impact of public funds and ensure their effective mobilisation by economic actors, a targeted update of existing subsidy programmes is required.</p> <p>In this context, the government will propose a revision of the Law of 15 December 2017 on the subsidy programm for environmental protection, aligned with the General Block Exemption Regulation (GBER). This revision is informed by an in-depth assessment of new opportunities in key areas such as the decarbonization of industrial processes, transport and charging infrastructure, hydrogen production, carbon capture and utilisation (CCU), energy performance contracts, and circular economy initiatives.</p> <p>The revised subsidy programmes will support investment through a range of financial instruments, including capital grants, repayable advances, and interest subsidies. Certain schemes will be awarded through competitive procedures to maximise environmental impact while ensuring efficient allocation of public funds, in line with the principle of minimum necessary aid.</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable micro-enterprises
<b>Responsible entity(ies)</b>	MECO
<b>Reference(s)</b>	<p>Measure No. 516 of the NECP</p> <p>Bill No. 8386 on the renewal of the environmental and climate protection subsidy programm, amending: 1° the amended Law of 20 July 2017 on the establishment of a regional investment subsidy programm 2° the Law of 15 July 2022 establishing an subsidy programm within the framework of the greenhouse gas emission allowance trading system for the period 2021–2030</p>

<b>Measure Title</b>	<b>No. 27 SME Packages-Sustainability</b>
<b>Description</b>	The <i>SME Packages-Sustainability</i> programme targets small and medium-sized enterprises (SMEs) seeking to address the challenges and harness the opportunities of the sustainable transition. Its objective is to initiate tailored support for Luxembourg-based SMEs by facilitating the implementation of concrete solutions that reduce environmental impact and generate cost savings. These solutions may include reductions in energy or water consumption, improved waste management practices, or measures to lower carbon emissions.
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable micro-enterprises
<b>Responsible entity(ies)</b>	MECO
<b>Reference(s)</b>	Measure No. 514 of the NECP  Amended Law of 9 August 2018 on an subsidy programm for small and medium-sized enterprises  Draft Law No. 8475 amending the amended Law of 9 August 2018 on an subsidy programm for small and medium-sized enterprises

<b>Measure Title</b>	<b>No. 28 State contribution to electricity network usage costs</b>
<b>Description</b>	<p>Affordable electricity prices are a key lever for ensuring a fair and sustainable energy transition. In Luxembourg, electricity prices remain consistently below the European average—an important social and economic asset that merits preservation. Moderate pricing directly supports electrification, a cornerstone of decarbonization, while freeing up resources for investments in energy efficiency, renewable energy, and the broader energy transition.</p> <p>To support the long-term stabilisation of electricity prices, the government will allocate a contribution of €150 million in 2026 toward costs associated with the use of electricity networks. This measure will provide substantial relief to all customers—households and businesses alike. It will be particularly beneficial to vulnerable households and micro-enterprises, for whom energy costs represent a disproportionate financial burden, thereby reinforcing the social dimension of the energy transition.</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable households and micro-enterprises
<b>Responsible entity(ies)</b>	MECO
<b>Reference(s)</b>	Bill No. 8596 concerning a State contribution to the costs to be passed on in tariffs for the use of electricity networks for the year 2026

<b>Measure Title</b>	<b>No. 29 Administrative simplification for micro-enterprises</b>
<b>Description</b>	<p>The government aims to simplify the administrative procedures faced by businesses, particularly SMEs. In this context, it is planned to streamline state aid and establish simplified procedures for SMEs in order to facilitate access to support.</p> <p>Furthermore, the creation of a visualization tool for the application and decision-making process related to the granting of aid to microenterprises is envisaged. Designed in the form of a decision tree or a similar tool, this instrument will help facilitate applicant support, clarify the various administrative steps, and make the available aid options more transparent depending on each situation.</p> <p>In line with the European Union's 'Small Business Act', the government will also ensure compliance with the principle of <i>Think Small First</i>, meaning that the needs of microenterprises will be given priority consideration when designing policies and legislation.</p> <p>Furthermore, the possibility of introducing a 'middle-class clause' in legislation will be examined, so that the impact of new measures is systematically assessed in light of the realities faced by small structures, and in particular microenterprises.</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable micro-enterprises
<b>Responsible entity(ies)</b>	MECO
<b>Reference(s)</b>	

<b>Measure Title</b>	<b>No. 30 Zero-interest “Competitiveness and Sustainability Loan”</b>
<b>Description</b>	<p>The government has launched a new financial instrument to strengthen the competitiveness and long-term resilience of Luxembourg companies: the Competitiveness/Sustainability Loan (PCP).</p> <p>The PCP is primarily aimed at SMEs for any type of project that contributes to their competitiveness/sustainability. It provides stable and affordable financing, interest-free under the European “<i>de minimis</i>” regime, and complements financing granted by intermediary banks.</p> <p>Structured to work alongside commercial bank loans, the PCP acts as a catalyst to unlock additional resources for businesses, while minimizing administrative formalities for applicants, who do not have to fill out any additional paperwork. SNCI co-finances up to 80% of the eligible investment, capped at €200,000 per project with a loan term of up to 10 years. The partner bank finances at least 20% of the project and supports its client throughout the application process.</p>
<b>Type of instrument</b>	Economic
<b>Target(s)</b>	Vulnerable micro-enterprises
<b>Responsible entity(ies)</b>	MECO
<b>Reference(s)</b>	