



European Commission

Summary of the Partnership Agreement for Luxembourg 2014-2020

Overall information

The Partnership Agreement covers three funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Agricultural Fund for Rural Development (EAFRD).

Interventions focus in particular on the following priorities:

- Enhancing public research, boosting R&D knowledge transfer between academia and businesses, strengthening research and innovation systems in SMEs and developing an innovation-friendly business environment;
- fostering the competitiveness of agriculture by improving entrepreneurship and by facilitating the restructuring of enterprises and promoting generational renewal,
- tackling unemployment, in particular youth unemployment, by raising the qualifications and skills of the youth and job seekers with an immigration background and focusing on a better match between offer and demand in the labour market;
- reducing poverty through improved access to services and support to the social economy, including the integration of vulnerable minorities;
- enhancing equal access to lifelong learning to all age categories, in order, among others, to keep older worker longer in the work force;
- supporting the shift to a low carbon and resource-efficient economy, notably through investments in energy efficiency (industry, transport and buildings), renewable energy and the modal shift towards urban transport;
- fostering the sustainable and efficient use of natural resources through preservation of the environment and biodiversity; improvement of water management and soil quality, including prevention of soil erosion.

The programming principles of the Partnership Agreement are guided by the objectives and priorities of the Europe 2020 strategy and establish a policy that aims to stimulate growth and job creation in the coming years in Luxembourg. The document defines the investments and the funding priorities which Luxembourg requires in order to promote smart, sustainable and inclusive growth and therefore, the achievement of the Europe 2020 targets.

The commitments made in the Luxembourg National Reform Programme as well as the Council Recommendations for Luxembourg (CSRs) are both reflected in the PA. The interventions co-financed from European Structural and Investment Funds (ESIF) will contribute to Luxembourg's efforts to follow the Recommendations that have a link to the ESIF priorities.

Selected expected results

Interventions will be aligned with Europe 2020 objectives and priorities. The following expected results may be highlighted:

- R&D expenditure in % of GDP to reach between 2.3 % and 2.6 % , up from 1.46% in 2012;
- ESI Funds to contribute the reduction of energy consumption in buildings and to help reaching the target of 20% reduction in energy consumption by 2020;
- An increase of use of renewable energy sources to 11%, up from 2.9% in 2014.
- ESI Funds to contribute to a reduction of greenhouse gas emissions of -20% as compared to 2005.
- Tertiary or equivalent education to be completed by 66% of 30-34 years, up from 52.5% in 2013;
- Employment rate for the population aged 20-64: 73% (71.1% in 2013).

Budget

For 2014-2020 the total cohesion policy funding to Luxembourg (ERDF, ESF) amounts to EUR 60 million (current prices), including a total of EUR 20 million for European Territorial Cooperation.

The ESF share of the Structural Funds budget amounts to 50.7%. 20% of the ESF budget is allocated to social inclusion and combating poverty.

An additional EUR 101 million will be devoted to the development of the agricultural sector and rural areas (EAFRD).

Details on the allocations by thematic objective are provided in the below table.

Regarding the ERDF, the thematic concentration on a limited number of priorities aimed at R%D, ICT, competitiveness of enterprises and innovation and the introduction of a low carbon economy exceeds the required minimum of 80%. 100% of the total ERDF resources are allocated to two of the thematic objectives: research, technological development and innovation objective and the shift towards a low-carbon economy objective.

With a total of 62%, also the allocation for operations linked to climate change prevention and mitigation largely exceeds the minimum target of 20%
Integrated actions for sustainable urban development will be carried out through Integrated Territorial Investments programmes and allocations will meet the required minimum of a 5% ERDF share (6% in the case of Luxembourg).

Almost 30% of EAFRD interventions will facilitate generational renewal in agriculture and assist the competitiveness of farms and agricultural businesses in rural areas.
63% financial allocation of EAFRD relates to environment and climate and will contribute to greenhouse emissions reductions, help to stop the decline of biodiversity and enhance water and soil management.

Programme architecture

For the programming period 2014-20, EU funds will co-finance a total number of 3 programmes, distributed as follows:

- 1 national programme for Rural Development co-financed by the EAFRD
- 1 national programme for Employment and Inclusion co-financed by the ERDF
- 1 national programme for Employment and Inclusion co-financed by the ESF

The indicative allocation of support by the Union by thematic objective for each of the ESI Funds

THEMATIC OBJECTIVE	ERDF	ESF	CF	EAFRD	EMFF	TOTAL
01. Strengthening research, technological development and innovation	9,166,129.44	0.00	0.00	0.00	0.00	9,166,129.44
02. Enhancing access to, and use and quality of, information and communication technologies	0.00	0.00	0.00	0.00	0.00	0.00
03. Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)	0.00	0.00	0.00	29,889,950.00	0.00	29,889,950.00
04. Supporting the shift towards a low-carbon economy in all sectors	9,166,129.44	0.00	0.00	29,982,000.00	0.00	39,148,129.44
05. Promoting climate change adaptation, risk prevention and management	0.00	0.00	0.00	0.00	0.00	0.00
06. Preserving and protecting the environment and promoting resource efficiency	0.00	0.00	0.00	32,960,035.00	0.00	32,960,035.00
07. Promoting sustainable transport and removing bottlenecks in key network infrastructures	0.00	0.00	0.00	0.00	0.00	0.00
08. Promoting sustainable and quality employment and supporting labour mobility	0.00	10,830,359.96	0.00	0.00	0.00	10,830,359.96
09. Promoting social inclusion, combating poverty and any discrimination	0.00	4,011,244.80	0.00	6,684,570.00	0.00	10,695,814.80
10. Investing in education, training and vocational training for skills and lifelong learning	0.00	4,011,244.80	0.00	0.00	0.00	4,011,244.80
11. Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	0.00	0.00	0.00	0.00	0.00	0.00
Technical assistance	1,170,144.12	1,203,373.44	0.00	1,058,045.00	0.00	3,431,562.56
Total	19,502,403.00	20,056,223.00	0.00	100,574,600.00	0.00	140,133,226.00