



EUROPEAN COMMISSION

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Summary of the Partnership Agreement for Portugal, 2014-2020

Overall information

The Partnership Agreement covers five funds: the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

Interventions have a particular focus on the following priorities:

- Improving entrepreneurship and business innovation – including developing the e-economy, and improving SME access to finance their investments and advanced business services;
- Boosting R&D knowledge transfer between academia and businesses, strengthening research and innovation systems in enterprises and developing an innovation-friendly business environment;
- Increasing the economic competitiveness by enhancing the production of tradable goods and services;
- Tackling unemployment, in particular youth unemployment through the Youth Employment Initiative, improving the quality of education and training and a better match with labour market demand, raising the qualifications and skills of the active labour force and preventing early school leaving;
- Poverty reduction through improved access to services and support to the social economy;
- Contributing to the modernisation of the public administration through capacity building and investments in human resources development and e-governance;
- Supporting the shift to a low carbon and resource-efficient economy: energy efficiency and improved management of natural resources.

The programming and implementation outlined by the Partnership Agreement are developed around four key thematic domains — competitiveness and internationalisation, social inclusion and employment, human capital, sustainability and efficiency in the use of resources — considering also two cross-cutting dimensions related to the reform of public administration and an integrated intervention approach at the territorial level.

This approach results from the identification of the main constraints and opportunities offered by each of these areas in order to better target and prioritise the assistance provided by ESI Funds for the period 2014-2020.

The programming principles of the Partnership Agreement are guided by the objectives and priorities of the Europe 2020 strategy and establish a policy for economic, social, environmental and territorial that will stimulate growth and job creation in the upcoming

years in Portugal. The document defines the activities, the investments and the funding priorities which Portugal requires in order to promote smart, sustainable and inclusive growth and therefore, the achievement of the Europe 2020 targets.

The Partnership Agreement was subject to an ex-ante evaluation, an interactive process which led to the incorporation of the recommendations issued in the successive versions of the document.

The governance model of the PA and programmes for 2014-2020 as well as their institutional architecture are based on four key elements: Simplification of the governance model, in particular with a clear separation between the political guidance and technical responsibilities and increasing the involvement of stakeholders; result orientation, favouring the selection of investments on the basis of expected outcomes; the establishment of common rules for financing which will not only ensure conditions of fairness and transparency but also promote competition between beneficiaries; and facilitating the access of beneficiaries to funding as well as reducing their administrative costs.

The EARDF will address elements related to economic, environmental and social issues in rural areas; the national strategy aims to improve the competitiveness of the agro-food sector, through e.g. farm restructuring, while taking into account the environmental and social sustainability of rural areas, through the promotion of job creation and investments to improve living conditions in rural areas. Three rural development programmes will address the above priorities and the specific needs of Continente, Açores Madeira, complementing this way other EU structural measures, in order to obtain a greater efficiency in the use of EU funding.

The EMFF will support Portuguese communities to unlock sustainable growth and bring back fish stocks to sustainable levels by investing in more selective fishing techniques and in diversifying existing maritime activities. Working hand in hand with the other ESIF funds, the EMFF will be used to help Portugal reap the full benefits of its maritime economy's potential.

Portugal has decided to finance investment under all 11 thematic objectives defined in the Regulations. Details on thematic objectives are presented in Table 1.

Chosen expected results

Cohesion policy in 2014-2020 is organised around the four thematic domains and the two cross-cutting dimensions mentioned above. This strategy aims at narrowing the gap with Europe 2020 targets and delivering the objectives of the National Reform Plan in order to improve competitiveness, create jobs, promote social inclusion and also address the current macroeconomic imbalance and the external deficit.

Interventions will be aligned with Europe 2020 objectives and priorities and, as regards expected results, the following can be highlighted:

Intelligent growth:

- R&D expenditure in % of GDP: between 2.7 and 3.3% (1.5% in 2013);
- Early school leaving: 10% (19.2% in 2013);
- Tertiary or equivalent education completed by 30-34 years: 40% (29.2% in 2013);

Inclusive growth:

- Employment rate for the population aged 20-64: 75% (65.6% in 2013);

- Reducing the number of people at risk of poverty or exclusion: -200 000 (-92 000 in 2013);

Sustainable growth:

- Share of renewable energy in gross final energy consumption: 31% (24.6% in 2013).

Budget

For 2014-2020, Portugal has been allocated EUR 21.46 billion (current prices) in total Cohesion Policy funding (ERDF, ESF, Cohesion Fund) including a total EUR 321.5 million for the Youth Employment Initiative (including €160.8 ESF match-funding), €129 million for territorial cooperation and €115.7 million representing the special allocation for the outermost regions.

The share of ESF in the allocation of Structural Funds amounts to 41.19 % or € 7.5 billion - above the required minimum of 38.5 % - amount that will help redress the social impact of the economic crisis and support a job-rich recovery. Approximately €1.6 billion or 21.61% of the ESF resources are allocated to social inclusion and combating poverty and any discrimination, above the minimum 20% required in the Regulations.

Additional €4.1 billion will be devoted to development of the agricultural sector and rural areas from the European Agricultural Fund for Rural Development (EAFRD), to be implemented through three rural development programmes: Continente (€3.6 billion), Açores (€295 million) and Madeira (€ 179 million).

The allocation for European Maritime and Fisheries Fund (EMFF) amounts to around €392.5 million. Details on the allocation are given in the tables below.

Thematic concentration of funds on a number of priorities aimed at research and innovation (TO1), ICT (TO2), competitiveness of enterprises (TO3) and low carbon economy (TO4) fulfils the regulatory requirements (74% in less developed regions; 69% in Algarve transition region; 67% in Madeira outermost region; and 73% in Lisboa more developed region).

The allocation for objectives contributing related to climate change mitigation is set at 20%.

Integrated actions for sustainable urban development will be carried out by the ITIs (Integrated Territorial Investments) of the two metropolitan areas of Lisboa and Porto and complemented by specific axes in the mainland regional OPs in order to comply with the requirement to invest a ERDF minimum share of 5% in such regions.

Programmes architecture

Cohesion policy will be delivered through 12 operational programmes:

- 4 thematic: 'Competitiveness & Internationalization' (co-financed by ERDF, ESF and Cohesion Fund); 'Human Capital' and 'Social Inclusion & Employment' (co-financed by ESF); Sustainable Development & Efficient Use of Natural Resources (co-financed by the Cohesion Fund);
- 5 mainland Regional: Norte; Centro; Alentejo; Lisboa; and Algarve (co-financed by ERDF and ESF);
- 2 for outermost regions: the Azores; and Madeira (co-financed by ERDF and ESF);
- 1 technical assistance (co-financed by ERDF);

There are also 3 Rural Development Programmes – mainland Portugal; Azores; and Madeira - (co-financed by EAFRD) and 1 countrywide programme for Fisheries and the Sea (co-financed by EMFF).

Details on allocations to operational programmes are presented in table 2.

Table 1: Allocation: breakdown by thematic objective and by fund (except territorial cooperation).

Thematic objective	ERDF	ESF	Cohesion Fund	EAFRD	EMFF	Total
	Euro					
1. Strengthening research, technological development and innovation	2 328 812 052					2 328 812 052
2. Enhancing access to, and use and quality of, ICT	294 924 687					294 924 687
3. Enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF)	4 509 808 033			1 285 653 348	214 228 847	6 009 690 228
4. Supporting the shift towards a low-carbon economy in all sectors	833 114 998		757 000 000	391 187 629	11 000 000	1 992 302 627
5. Promoting climate change adaptation, risk prevention and management	31 800 000		401 242 164	757 242 145		1 190 284 309
6. Preserving and protecting the environment and promoting resource efficiency	791 020 771		1 045 000 000	1 115 105 448	106 781 617	3 057 907 836
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	236 113 500		609 000 000			845 113 500
8. Promoting sustainable and quality employment and supporting labour mobility	152 000 000	1 692 026 507		22 645 490	37 000 000	1 903 671 997
9. Promoting social inclusion, combating poverty and any discrimination	529 821 585	1 630 789 998		408 982 493		2 569 594 076
10. Investing in education, training and vocational training for skills and lifelong learning	481 488 271	3 845 767 381				4 327 255 652
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration		249 696 283				249 696 283
Technical assistance	468 910 000	128 252 100	49 500 000	76 971 821	23 475 000	747 108 921
Ultra Peripheral Regions	115 681 815					115 681 815
Total	10 773 495 712	7 546 532 269	2 861 742 164	4 057 788 374	392 485 464	25 632 043 983

The specific allocation of the Youth Employment Initiative amounts to EUR 160.8 million and is not included in the table.

Table 2: Allocation to programmes

Operational programme	Thematic objectives covered	ESI Fund	Allocation (EUR)
OP Competitiveness & Internationalization	TO 1,2,3,7,8,11	ERDF, ESF and Cohesion Fund	4 413 930 409
OP Social Cohesion & Employment	TO 8 and 9	ESF (including the YEI-specific allocation)	2 130 180 734
OP Human Capital	TO 10	ESF	3 095 832 100
OP Sustainable Development & Efficient Use of Natural Resources	TO 4,5 and 6	Cohesion Fund	2 252 742 164
OP Regional Norte	TO 1,3,4,6,7,8,9,10 and 11	ERDF, ESF	3 378 770 731
OP Regional Centro	TO 1,3,4,6,7,8,9,10 and 11	ERDF, ESF	2 155 031 031
OP Regional Alentejo	TO 1,3,4,5,6,7,8,9,10 and 11	ERDF, ESF	1 082 944 371
OP Regional Lisboa	TO 1,3,4,6,8,9 and 10	ERDF, ESF	833 334 547
OP Regional Algarve	TO 1,3,4,6,8,9,10 and 11	ERDF, ESF	318 676 488
OP Açores	TO 1,2,3,4,5,6,7,8,9,10 and 11	ERDF, ESF	1 139 752 011
OP Madeira	TO 1,3,4,6,8,9,10 and 11	ERDF, ESF	403 347 728
OP TA	NA	ERDF	138 000 000
RDP Continente	TO 3,4,5,6,8 and 9	EAFRD	3 583 056 823
RDP Açores	TO 3,4,5,6,8 and 9	EAFRD	295 282 051
RDP Madeira	TO 3,4,5,6,8 and 9	EAFRD	179 449 500
OP for Fisheries and the Sea	TO 3,4,6 and 8	EMFF	392 485 464