MULTI-ANNUAL AGREEMENT 2018 - 2021
FNR/CP4-18-21

Between the State of the Grand Duchy of Luxembourg, hereafter referred to as "the State", represented by the Minister Delegate for Higher Education and Research, hereafter referred to as the "the Minister",
of the one hand,

and the public institution "Luxembourg National Research Fund" [Fonds National de la Recherche], hereafter referred to as "the FNR", represented by Ms Véronique Hoffeld, President of the Board of Directors, and Mr Marc Schiltz, Secretary General,
of the other hand,

whereas the State wishes to support high-level research and development activities and technology transfer with the aim of promoting scientific progress or technological innovation on a national level,

and in view of Articles 2 and 3 of the amended law of 31 May 1999, which created a national research fund in the public sector, tasking the FNR with the general mission to receive, manage and employ allocations and donations from public or private sources with a view to promoting technological research and development at national level in the public sector,

the parties have agreed as follow:

Art. 1 – Purpose

This agreement is covered by the provisions of Article 4 (1) of the amended law of 31 May 1999, establishing a national public sector research fund. It sets forth the general policy of the FNR, its strategic choices, its activities and objectives and establishes the financial contributions of the State as provided for in Article 10 (1) of the above-mentioned law of 31 May 1999.

The reference number assigned to this agreement is FNR/CP4-18-21.

Art. 2 – Term

This agreement is entered into with effect from 1 January 2018 and shall have a duration of 48 months. It shall therefore legally expire on 31 December 2021. Negotiations for the next multi-annual agreement shall start no later than 30 June 2021.

The contracting parties agree that this agreement may be subject to a mid-term review, by 31
December 2019 at the latest. Talks for this review shall start no later than 30 June 2019. The review shall be adopted via an amendment as provided in Article 8.

**Art. 3 Undertakings of the parties**

The strategic objectives of the activities of the FNR and the related multi-annual action plan relating thereto are described in Annex 1, which forms an integral part of this agreement.

The implementation of the multi-annual action plan will be subject to an annual implementation programme and a budget that the FNR shall send, for information purposes, to the Minister by 1 February each year.

The FNR undertakes:

- to make suitable and reasonable arrangements in order to implement the action plan with a view to achieving the strategic objectives;
- to provide all the detailed data requested by the State for the effective management of the activities involved;
- to inform the State of any event that may have a direct impact on the implementation of the action plan and the achievement of the planned objectives;
- to provide the State, and any other body or individual duly mandated by the State, with the information requested as part of checks and audits;
- to participate actively in checking, monitoring and evaluation activities;
- to coordinate, as the national representative, the participation of Luxembourg in the *Teaming* part of the *Spreading Excellence and Widening Participation* action of the European Union's *Horizon 2020* programme;
- to proceed, in close cooperation with the Ministry of Higher Education and Research, with updating the national research priorities;
- to develop, with the main public research institutions, an action plan to promote professional gender equality in research;
- to develop, together with the main public research institutions, a strategy for the international communication of Luxembourg research, highlighting the promotion of the Belval site;
- to provide the Minister, as part of the preparation of the State's draft multi-annual budget for the coming financial year, with its forecasts of revenue and expenditure for the coming financial year as well as for the subsequent three financial years, established in accordance with the chart of accounts of the European System of Accounts;
• to provide the Minister, at least every six months, with the statement of income and expenditure for the ongoing period, established according to the same system of classification of accounts.

The State undertakes:
• to guarantee the FNR the necessary autonomy for the fulfilment of this agreement, in accordance with the relevant legal provisions;
• to inform the FNR of any event that may have a direct impact on the allocation of these financial contributions.

Art. 4 Financial Framework

Art. 4.1. Expenses and maximum commitments

For the implementation of the activities covered by this agreement, the FNR is authorised to make commitments not exceeding a maximum value of EUR 360,800,000.

Annex 2 presents, for illustrative purposes only, the provisional amounts for the annual commitments in addition to a forecast of annual payments.

Notwithstanding the provisions of this article, the FNR is authorised to take on commitments that go beyond the period covered by this agreement. These commitments shall be covered by State financial contributions allocated to the FNR as part of future multi-annual agreements to be entered into by the State and the FNR.

The costs of the various programmes, priority actions and operational expenses are limited to the maximum multiannual commitments stated below. Programmes and priorities for meeting the different strategic objectives described in Annex 1:

- Strategic Objective 1: EUR 232,410,000
- Strategic Objective 2: EUR 88,100,000
- Strategic Objective 3 and operating costs: EUR 20,290,000

If considered appropriate, the maximum commitments stated for Strategic Objectives 1 and 2 may be increased without a change in the State's annual financial contribution provided that the overall maximum commitment referred to in paragraph 1 of this article is not exceeded. The FNR will inform the Minister in writing of these changes.

The maximum commitment of objective 3 and of the operating costs cannot be increased.

The FNR shall meet with the Ministry to set out the terms for implementing each new programme developed within the framework of this agreement.

The portion of the planned maximum commitments that have not yet been committed at the end of this agreement shall not be repeated after 31 December 2021 in the next agreement.
Art. 4.2. State allocations

Pursuant to the provisions of Article 10 of the amended law of 31 May 1999 which created a national research fund in the public sector, the State grants, subject to the limit of the budget resources available, and by deduction from the budget credit recorded at the Ministry whose remit includes research in the public sector, a financial contribution of EUR 265,410,000 established for the activities to be implemented within the framework of this agreement as well as the undertakings made by the FNR in the framework of the previous multiannual agreements made with the State.

The annual financial contributions of the State are as follows:

- Financial year 2018: EUR 64,800,000
- Financial year 2019: EUR 64,790,000
- Financial year 2020: EUR 66,790,000
- Financial year 2021: EUR 69,030,000

- A first instalment of 30% of the annual amount to be paid on 15 February of each year, subject to the FNR submitting the annual reports referred to in Article 5;

- A second instalment of 30% of the annual amount to be paid on 15 May of each year, subject to the FNR submitting the activity report for the previous financial year referred to in Article 13 of the amended law of 31 May 1999, on the creation of the FNR, including the end-of-year accounts and the report of the statutory auditor;

- A third instalment of 20% of the annual amount to be paid on 15 August of each year;

- The remaining 20% to be paid on 15 October of each year.

The financial contributions of the State paid before the period covered by this agreement and remaining unspent at 31.12.2017 will remain at the disposal of the FNR.

The FNR will maintain its cash position at a sufficient level to be able to honour the payments arising from its commitments it makes for a period for at least three months.

Art. 4.3 Other sources of finance

In accordance with Article 10 of the amended law of 31 May 1999, which created a national research fund in the public sector, the FNR may have receipts from sources other than the allocations from the State's receipts and expenses budget. These receipts do not fall within the scope of the application of this agreement. The maximum commitment amounts referred to in Art. 4.1 shall not apply to them.
Art. 5 Reports and Evaluation

Art. 5.1. Annual reports
The FNR shall submit a summary report of activities in free text form describing the notable events of the year in consideration on 1 February of the respective financial year.

For 1 May, the FNR shall submit to the Ministry the report stated in Article 13 of the amended law of 31 May 1999 creating the FNR, including the accounts for the financial year-end and the auditors' report.

If significant gaps are found between the stated objectives and the achievement thereof, corrective measures may be contained in a rider to this agreement.

Art. 5.2. Evaluation and final report
The FNR drafts a self-assessment report by 31 March 2021, summarising the fulfilment of the action plan and the achievement of the strategic objectives, and includes a table of indicators in referred to in Annex 3.

If applicable, this self-assessment report will provide the basis for an external and independent evaluation that may be carried out at the request of the Minister during 2021.

Where applicable, the scope, methodologies and grids of the external evaluation will be defined in specifications that the Minister undertakes to develop and which will be submitted to the FNR for comments prior to the start of the selection of external experts. The FNR undertakes to cooperate and make available all the information necessary for the assessment. The result of the external assessment will be a written and reasoned report. The FNR will have a right of reply to this assessment report. The Minister has the right to release the result of the assessment, subject to inclusion of the comments of the FNR.

The FNR self-assessment report, including any external assessment report and FNR comments, will be sent to the Government by 1 December 2021.

By 1 May 2022, the FNR will provide the Minister with a final report covering the entire duration of this agreement. This final report will include a table of indicators in Annex 3, a summary description of the activities carried out and a critical analysis of the results and objectives achieved.

Art. 6 Non-fulfilment, delays or defaults
Each party shall promptly notify the other party, by providing all the necessary details, of any event likely to prejudice the performance of this Agreement. The parties mutually agree on the measures to be taken.
Art. 7 Control

The FNR will retain, for a period of five years after the final expiry of the period covered by this agreement, the original or, in duly justified exceptional cases, copies of all original documents relating to this agreement. During the audits under this agreement, these documents will be made available to the persons conducting the audits.

Art. 8 Amendments to the Agreement

The parties agree to adapt the strategic objectives and the action plan if the financial scenarios considered in this agreement do not materialise or if the national organisational, legal or regulatory framework hampers the fulfilment of these objectives and/or actions.

The provisions of this agreement and its annexes may only be modified by an amendment signed for each of the parties by a duly authorised representative.

A proposed amendment from the FNR must be sent in writing to the Minister. Within three months of notification by the FNR, the Government shall decide, based on a proposal from the Minister, how to follow up the request.

Art. 9 Dissemination of knowledge

Without prejudice to confidentiality agreements with third parties, each party has the right to inform third parties of the purpose of the work covered by this agreement and of its progress and results,

- either by the dissemination of general reports, summary reports and reports in aggregate form, on any media, including electronic media,
- at any other level of detail, with the written consent of the other party.

Art. 10 Applicable Law and Jurisdiction

This agreement is subject to Luxembourg law and any dispute associated with this agreement falls under the exclusive jurisdiction of the courts of the judicial district of Luxembourg, Grand Duchy of Luxembourg.

For the annexes, please consult the original document here.