

Regional Outlook 2019 LUXEMBOURG

Regional Development Policy in Luxembourg



General policy approach

Since April 2018, a new Law on Spatial Planning provides the legal framework for and the instruments of spatial planning in Luxembourg. The Master Programme for Spatial Planning (PDAT) determines the government's general guidelines and priority objectives for the sustainable development of the living environment. The four sectoral master plans (transport, housing, landscapes and economic activity zones) have been developed with the aim of reserving land for key infrastructure projects. The adoption procedure for the four sectoral master plans was launched in May 2018 and is expected to be completed in 2019.

There are currently three state-municipal conventions of territorial co-operation that promote inter-municipal and multi-level co-operation in urban areas via an integrated regional development strategy and its implementation through concrete pilot projects. The Law for Nature Parks is used to foster regional development in rural areas through the common management of the natural heritage.

Recent policy changes

- The new Law on Spatial Planning in Luxembourg was adopted in April 2018.
- The adoption procedure for the four sectoral master plans (transport, housing, landscapes and economic activity zones) was launched in May 2018 and is expected to be completed in 2019.
- There are currently three state-municipal conventions of territorial co-operation, covering the major urban agglomerations of Luxembourg, to foster sustainable regional development in urban areas. Since the expiration of another convention in 2018, the instrument of the State-Municipal Convention is being evaluated in terms of its effectiveness. First reflections on the future of the instrument go in the direction of establishing a territorial development fund to support inter-municipal projects and integrated actions contributing to the implementation of the objectives defined in the new Law on Spatial Planning.
- Since 1999, three nature parks, covering approximately 34% of the national territory, have been created to foster sustainable regional development in rural areas. Most recently, the nature park "Mëllerdall" was created in the eastern part of Luxembourg. The implementation of inter-municipal projects in all three nature parks is ongoing.
- In September 2018, the Spatial Development Concept of the Upper Moselle Valley was presented in order to promote the sustainable development of the Luxembourgish-German cross-border area.

Institutional arrangements to prepare for global megatrends

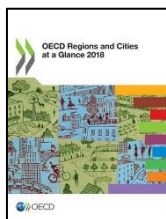
The Master Programme for Spatial Planning (in its current version from 2003) is under revision since 2018 through a public participation process, which is expected to be completed in 2019. The revised Master Programme will contain forward-looking elements and projections.

In 2015, the Ministry of Economy, the Chamber of Commerce and IMS Luxembourg launched the project “Third Industrial Revolution in Luxembourg” on the basis of the social and economic theories of Jeremy Rifkin. The result of this project is the Third Industrial Revolution Strategy Study, which includes historical analysis, scenario building, statistical projections and economic modelling, with the aim of presenting a short-term, medium-term and long-term framing document and workbook for transitioning Luxembourg into a third industrial revolution economy and smart society until 2050. While the Third Industrial Revolution Strategy itself makes no link with regional, rural or urban development policy, the Department of Spatial Planning has commissioned a report on the territorial dimension of the strategy.

As part of a visioning process launched in 2016, the Department of Spatial Planning has developed three scenarios concerning the future spatial development of Luxembourg. The third scenario is called “Organised and Harmonious” and foresees the future spatial development of Luxembourg as concentrated in three urban growth poles corresponding to the three major agglomerations of Luxembourg: AGGLO LUX (around the city of Luxembourg), AGGLO SUD (in the southern region) and AGGLO NORD (around the Nordstad municipalities). This visioning process was deepened in the context of the Consultation Debate on Spatial Planning in the Chamber of Deputies in 2018.

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The 2019 edition of the *OECD Regional Outlook* examines the regional dimensions of global megatrends and their implications for the well-being of people living in different places. It discusses how place-based policies, public investment and multi-level governance reforms can respond to these megatrends to revive productivity growth, reduce inequalities, improve quality of life and increase sustainability.

Consult the full publication and the other country profiles on line: <https://oe.cd/pub/2vq>.

