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COUNTRY FICHE

DENMARK [DK]

Eight Sustainable Urban Development (SUD) strategies were implemented in Denmark during the 2014-20 period, all through a priority axis of an Operational Programme (SUD PrAx). These strategies were supported by the European Regional Development Fund (ERDF) as part of the priority axis of the National Operational Programme, which focused on Innovation and Sustainable Growth in Businesses. The strategies were applied in cities and towns of various sizes, ranging from larger ones like Aalborg and Aarhus to smaller ones such as Fredericia and Slagelse. Their thematic focus included research and innovation, as well as the low-carbon economy.

POPULATION	STATE TYPE
5.75 million	Decentralised

NATIONAL ESIF BUDGET

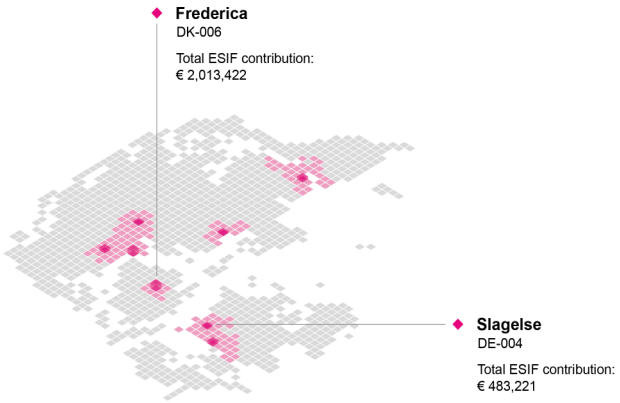
EU Contribution (EUR)	€ 2,103,688,226
National Contribution (EUR)	€ 797,107,908
Total Contribution (EUR)	€ 2,900,796,134

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	8	ERDF	1.5%	69%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	-	-	-	-
TOTAL	**8**	**-**	**1.5%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



DK

Description

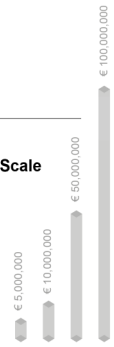
Geographical distribution of strategies per type of TDM, with an indication of the amounts of the respective ESIF contributions. For each type of TDM, strategies with the highest and the lowest amounts of funding are indicated.

Source: STRAT-Board (JRC, n.d.).
Note: There may be discrepancies between data from STRAT-Board and from other data bases.

Legend

= SUD (Art. 7) Priority Axis

Scale



GOVERNANCE CONTEXT

Denmark is a unitary state with a decentralised governance structure, organised at three levels: central, regional, and municipal. Before 2007, its territorial organisation consisted of the State, counties, and municipalities. However, the 2007 Structural Reform abolished the counties, creating five regions—Nordjylland, Midtjylland, Syddanmark, Sjælland, and Hovedstaden—and reducing the number of municipalities from 271 to 98. This reform also reallocated responsibilities, leaving municipalities as the sole local authorities. Regions now primarily focus on healthcare and regional development, while municipalities manage education, social services, public transport, and local infrastructure. Municipal councils, elected by residents, handle local decision-making, though the central government in Copenhagen retains control over national issues like defence, foreign policy, and macroeconomic policy.

Denmark's spatial planning system, based on the Planning Act, promotes sustainable development and cooperation across government levels for balanced territorial growth. The country's urban policy encourages polycentric development, with municipalities key to aligning local planning with national and regional goals.

Denmark also includes two autonomous regions: the Faroe Islands and Greenland. Neither are members of the EU, though Greenland holds Overseas Countries and Territories status and has agreements with the EU, such as the Fisheries Agreement.

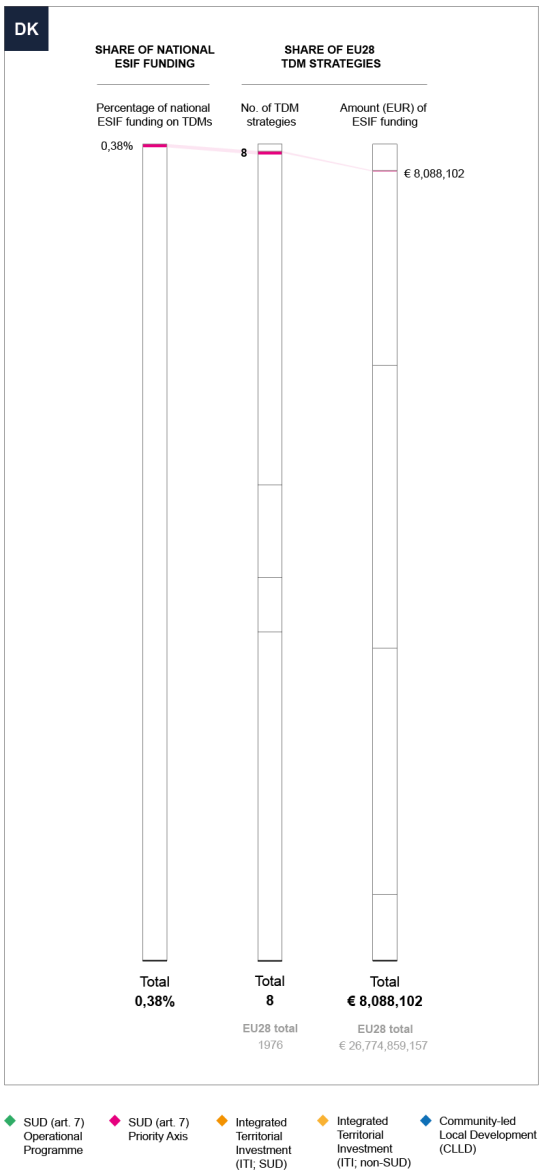
COHESION POLICY CONTEXT

During the 2014-20 period, Denmark's implementation of EU Cohesion Policy focused on promoting innovation, sustainable growth, and employment. The country managed two key Operational Programmes (OPs): the Regional Growth and Development Programme and the Growth via Education, Training and Entrepreneurship Programme. The former aimed to boost economic growth in all Danish regions, while addressing their specific needs and capitalising on their strengths, with a focus on creating jobs and boosting productivity, particularly in SMEs. This ERDF programme also paid attention to reducing energy consumption in cities with more than 30.000 inhabitants through targeted investment in cities or urban areas through SUD strategies. The ESF programme was primarily targeted at improving the skills of the workforce.

The Danish Business Authority (Erhvervsstyrelsen) served as the managing authority responsible for overseeing the implementation of both programmes on behalf of the Danish government, working closely with regional and local stakeholders, ensuring alignment with both EU objectives and Denmark's national and regional development strategies. Even though the programmes were managed nationally, their implementation was to some degree decentralised, involving strong cooperation between the central government, regional growth forums, and local municipalities. Regional Growth Forums, made up of representatives from business, education, and local government, played a key role in identifying regional priorities and allocating funds for projects that supported innovation, entrepreneurship, and green initiatives.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development (Art. 7) Priority Axis

For the 2014-20 programming period, the Danish government opted to implement Territorial Delivery Mechanisms exclusively through a Priority Axis within its ERDF National Operational Programme. All Sustainable Urban Development (SUD) Priority Axis strategies in Denmark shared a common thematic focus. The largest share of funding was allocated to support the shift towards a low-carbon economy, with €6.28 million from the ERDF. In comparison, only €1.53 million was directed towards research, technology development, and innovation. The SUD strategies in cities such as Slagelse, Kolding, and Vejle placed particular emphasis on promoting the circular economy, especially the sustainable recycling of construction waste.

These strategies were implemented across a variety of urban settlements, from larger cities to relatively small towns. However, the total funding was modest compared to SUD Priority Axis strategies in other EU countries, limiting the potential of these initiatives to deliver broad-ranging impacts, particularly in supporting larger, integrated operations within functional areas. There is limited evidence regarding the effectiveness of SUD Priority Axis strategies in addressing local needs or fostering governance innovation within the context of Cohesion Policy.

By the end of 2022, 69% of the allocated ERDF funding had been spent on operations, a significantly better performance than mainstream Cohesion Policy operations, which absorbed only 44% of their funding. Despite the limited resources, Denmark's targeted approach in urban areas delivered progress in sustainable urban development, especially in specific intervention areas such as the circular construction sector, though on a smaller scale.

IN SUM

During the 2014-20 programming period, relatively small ERDF funding was directed towards supporting sustainable urban development through SUD Priority Axis strategies across eight urban areas in Denmark. This limited the ability of Territorial Delivery Instruments to make a significant impact on place-based policy, strengthen functional linkages, or enhance multi-level governance in this country.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

References

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