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COUNTRY FICHE

SPAIN [ES]

Spain chose to focus on just two types of Territorial Delivery Mechanisms (TDMs), allocating around 5 percent of its national European Regional Development Fund (ERDF) and Cohesion Fund (CF) to a total of 179 strategies. Among these, 173 Sustainable Urban Development (SUD) strategies were implemented under the Operational Programme Priority Axis (SUD PrAx) across Spain, with more of them concentrated in the less developed southern regions. These strategies were funded by the ERDF. Additionally, six multi-fund Integrated Territorial Investment (non-SUD ITI) strategies were launched with much larger budgets, often covering extensive areas sharing common geographical features, such as a large river basin or coastline, and were part of broader national or European territorial strategies. Both types of strategies were carried out through a combination of centralised planning and delegated project selection and implementation at the sub-national level, reflecting the complexities of Spain's multi-level governance system.

POPULATION	STATE TYPE
46.5 million	Decentralised

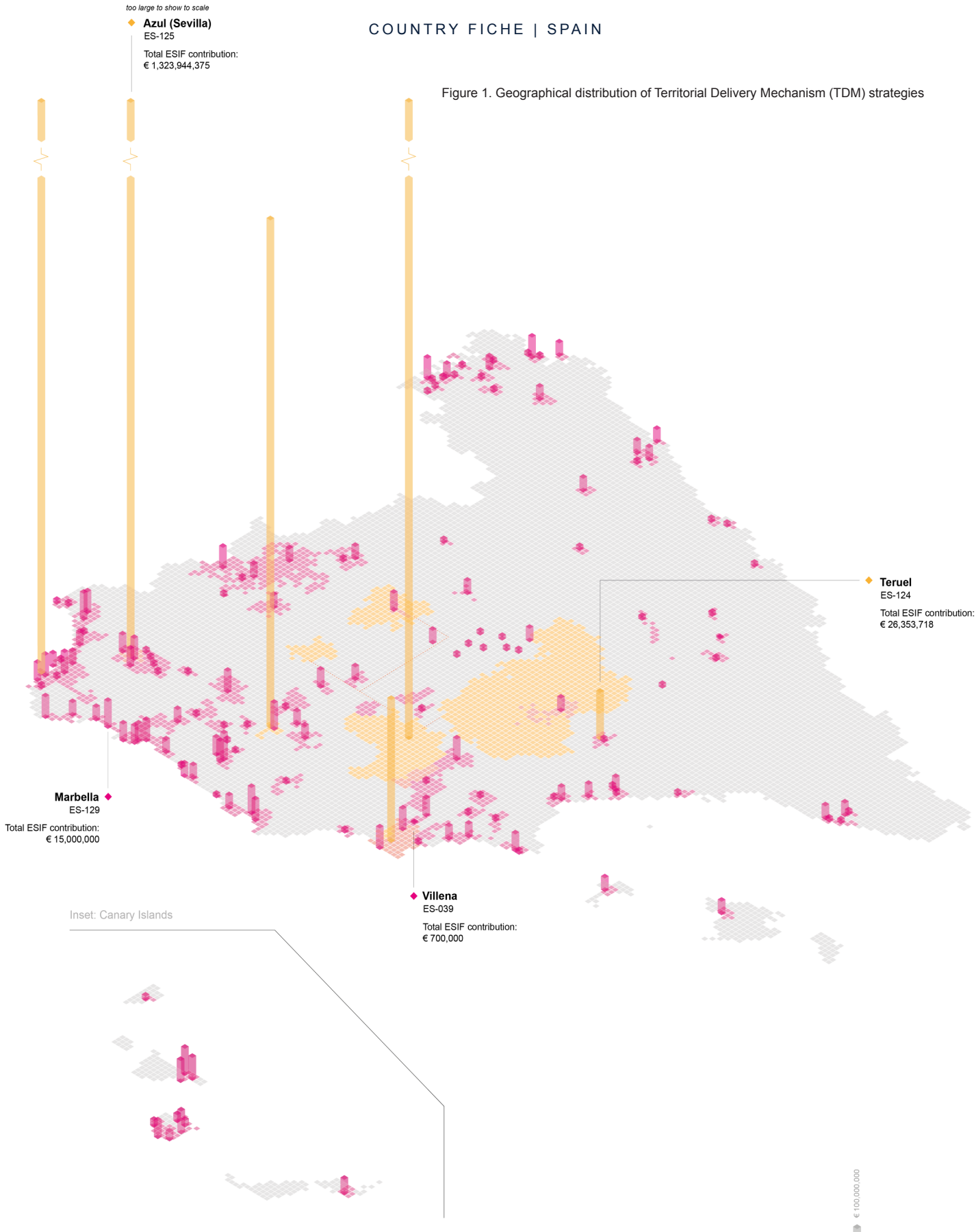
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 57,322,439,662
National Contribution (EUR)	€ 17,672,580,041
Total Contribution (EUR)	€ 74,995,019,703

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	173	ERDF	3.1%	18%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	6	ERDF, EAFRD, ESF, EMFF, ERDF-ETC	2.2%	36%
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**179**	**-**	**5.3%**	**-**

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



GOVERNANCE CONTEXT

Spain's territorial governance is complex, characterised by a decentralised system that grants significant autonomy to its 17 autonomous communities (comunidades autónomas) and two autonomous cities (Ceuta and Melilla). Each autonomous community has its own government, parliament or assembly, and president, with varying degrees of legislative and executive powers. Spain is also divided into provinces (provincias), which are further subdivided into municipalities (municipios). The central government, based in Madrid, manages national matters such as defence, foreign policy, and finance. While the regions enjoy considerable autonomy, the central government retains control over key areas. This decentralised system aims to respect Spain's linguistic, cultural, and historical diversity while ensuring national unity. Spain introduced the Spanish Urban Agenda (Agenda Urbana Española) in 2019. This strategic document, which is not legally binding, aims to achieve sustainability in urban development policies, including the use of EU funds. The Ministry of Public Works oversees this agenda and has approved its own Action Plan in line with the EU Urban Agenda and the UN 2030 Agenda. The Action Plan covers regulation and planning, financing, governance, citizen participation, and knowledge exchange.

COHESION POLICY CONTEXT

Spain receives significant EU Cohesion Policy funding due to its size, and due to the fact that, during the 2014-20 period, many Spanish regions were classified as 'transition' or 'less developed'. Managing EU Cohesion Policy in Spain during this time involved collaboration between national and regional governments, with the national level playing a strong role in coordinating programming, monitoring, and evaluation. The national Managing Authority for both national and regional European Regional Development Fund (ERDF) programmes was the Ministry of Finance and Public Administration, while the Ministry of Employment and Social Security managed the European Social Fund (ESF). Regional governments, designated as Intermediate Bodies, also had significant responsibilities for programming, managing, and implementing the Regional Operational Programmes (ROPs). Each region, known as an 'Autonomous Community', exercised significant autonomy in managing interventions and projects, aligning with their specific development priorities and the decentralised political system. This regional management approach allowed for tailored strategies to meet the unique needs of each region, though challenges related to coordination and administrative capacity were encountered.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Sustainable Urban Development (Art. 7) Priority Axis

In Spain, Sustainable Urban Development (SUD) was implemented through a dedicated Priority Axis within the National Programme for Sustainable Growth, providing a strategic framework for urban development. A total of 173 strategies were carried out across Spain, funded exclusively by the ERDF and aimed at cities and towns with more than 20,000 inhabitants. These strategies were implemented across all 17 autonomous communities, selected through national calls based on region-specific budgets. The Urban Initiatives Network (Red de Iniciativas Urbanas - RIU), established during the 2007-2013 funding period and continued into 2014-20, provided support for implementation.

Aside from the population size requirement, there was no distinction between types of cities, which made it difficult to differentiate between urban and rural areas. Efforts were made to include smaller cities in this Territorial Delivery Mechanism, despite the European Commission's preference for focusing only on larger cities. Funding allocations ranged from €5 million for cities with fewer than 50,000 inhabitants to €15 million for larger cities, depending on regional budgets and local spending capacity. The non-discriminatory approach towards eligibility for SUD PrAx funding made it possible for diverse municipalities to participate, irrespective of their size. This facilitated promotion of a bottom-up approach, but did little to promote a more functional intervention logic, which would require a focus on larger settlements and metropolitan areas.

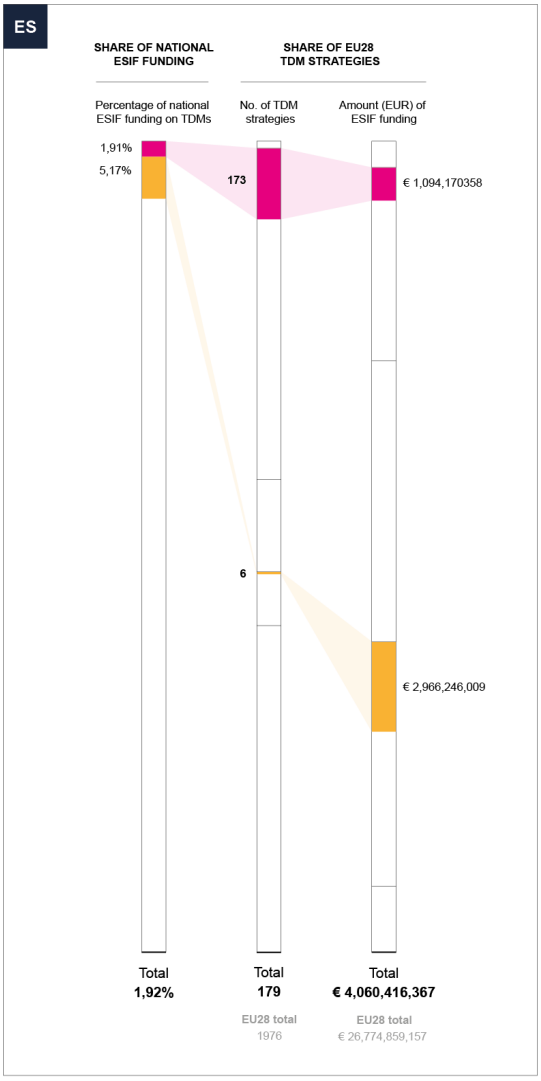
Challenges in implementation included slow fund absorption. Thus, by the end of 2022 merely 18% of the allocations decided were spent. This was due to limited capacity in the municipal authorities, material and human resource shortages, bureaucratic restrictions, operational complexity, administrative delays, etc.

Governance of this Territorial Delivery Mechanism was generally centralised, with specific tasks delegated to regional or local levels, sometimes leading to politically influenced decisions. Nevertheless, the implementation of these SUD strategies fostered knowledge exchange among cities and increased emphasis on integrated urban development, supported by participative governance. For example, in Soria, where the strategy focused on investing in the historic city centre, the SUD approach effectively addressed local needs and allowed for bottom-up engagement of local stakeholders, setting it apart from other policy initiatives.

Non-Sustainable Urban Development Integrated Territorial Investment

The non-SUD ITI instrument was utilised to support six territorial strategies. Some of these, such as ITI Azul, were significant both in terms of the EU funding committed (€1.3 billion) and their territorial scope. This particular ITI was designed

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.

to implement the international Atlantic Strategy (2011) through EU Funds, and consequently, it operated somewhat differently from other Spanish ITIs.

Other non-SUD ITIs adopted a more territorially focused approach. For example, the ITI Mar Menor in the Murcia region, involving eight municipalities, was based on a strategy for the integrated management of the Mar Menor basin. This strategy was characterised predominantly by environmental and geographical considerations within a well-defined socio-ecological system. It involved financing from various EU funds, including the European Maritime and Fisheries Fund (EMFF), European Regional Development Fund (ERDF), and European Agricultural Fund for Rural Development (EAFRD), reflecting its integrated approach that cuts across policy sectors. The Mar Menor strategy was developed in close cooperation with a diverse set of local stakeholders, ensuring a close alignment with the territory's development needs.

Overall, the main challenges faced by non-SUD ITIs in Spain, as observed in the case of ITI Mar Menor, included administrative obstacles and limited success in generating synergy across different funding streams. Regional-level governance was generally more effective than national-level governance, as inter-ministerial collaboration and communication continued to pose difficulties. Consequently, the non-SUD ITI was discontinued in Spain after the end of the 2014-20 period, undermining the continuity of the initiatives undertaken so far and limiting the regions' ability to address their territorial needs in the longer term.

Despite these challenges, non-SUD ITIs were seen as a flexible instrument, positively contributing to ERDF implementation, promoting cross-sectoral targeting of interventions, and fostering collaboration. The implementation of ITIs performed better than that of SUD PrAx strategies, with 36% of the allocated funds being absorbed by the end of 2022.

Triggering bottom-up engagement in Soria

The SUD PrAx strategy for Soria, a relatively small municipality in the Castilla y León autonomous community, was implemented through a blend of top-down management and bottom-up engagement of local stakeholders. As with similar strategies across Spain, Soria's SUD PrAx strategy followed a uniform, centralised approach, focusing on the strategic intervention areas outlined in the National Regional Development Strategy. It was funded through the Multiregional OP for Spain, specifically under Axis 12, focused on urban development. Despite this centralised framework, the Municipality of Soria was able to shape the strategy in an inclusive, bottom-up manner. By engaging a wide range of local stakeholders and communities through extensive consultations, the strategy formulation process was enriched, making it more closely aligned with local conditions and aspirations, setting it apart from other policy initiatives in the region. This collaborative effort allowed for the joint identification of the city's strengths, weaknesses, needs, and opportunities, leading to the development of 16 action lines to guide investment within the historic city centre, affected by population decline and socio-economic challenges. While this approach ensured a highly focused strategy, it did limit the ability to address broader functional linkages.

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

IN SUM

Spain combined a centralised management of strategies, ensuring strong alignment with national and EU policy frameworks, with the delegation of competences to regional and local authorities. A stand-out feature of Spain's approach was the use of non-SUD ITI strategies to cover vast territories with similar geographical features, such as ITI Azul, covering the country's coastal areas. While this allowed for strategic coherence, the centralised management of these strategies limited the mobilisation of local actors and the ability to effectively address place-specific needs. In contrast, the engagement of local stakeholders was more prominent in the case of SUD PrAx strategies, enabling a more effective response to local needs. However, the narrow territorial focus of these strategies restricted the potential for pursuing functional integration.

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