

URDICO

Urban Dimension of Cohesion Policy and other EU programmes

CITY OF VALENCIA

City Description

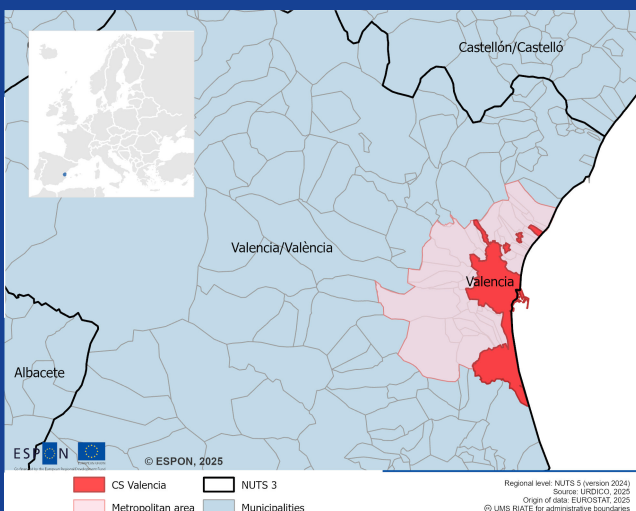
Valencia is located on the east coast of the Iberian Peninsula on the Mediterranean Sea. It is the third largest city of Spain with the population of 830,606 (in 2024), it is the capital of Valencia province. Valencia is an important economic, educational, touristic, cultural and commercial centre, thanks to its port.

Role in Cohesion Policy delivering

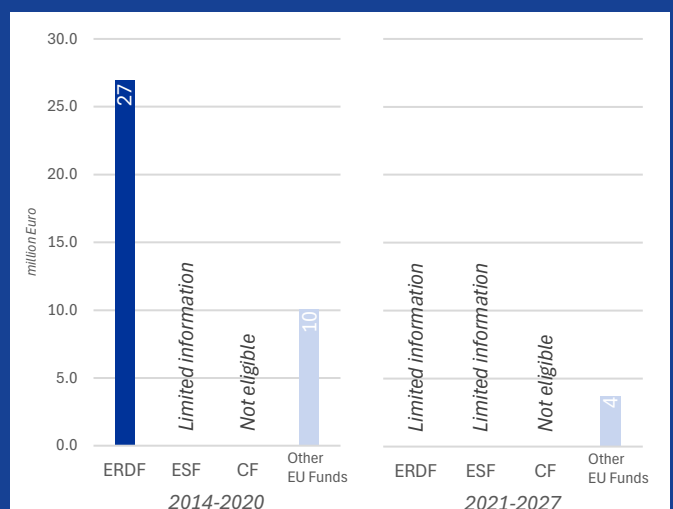
In Spain, cities do not have Managing Authority or Intermediary Body, roles, MA roles are fulfilled by national institutions, like the Ministry of Finance. At the regional level, the Valencian Regional Government, acts as an IB, primarily through its Directorate-General for European Funds that manages ERDF and ESF in coordination with national authorities, and is responsible for the Regional OP.

This governance structure leaves cities, including Valencia in the status of beneficiaries, the city was not able to participate in the definition of EU CP or related national programming. The City Council is responsible for defining and implementing the city's strategy, which is currently the València 2030 Urban Strategy. The City Council's participation in CP and in its urban dimension began in 2020 when the European Projects Service was created. This department was created with the aim of having a relevant player in policy design and implementation. While the European Projects Service focuses on the ERDF, the municipal Department of Employment focuses on the ESF. During the 2014-2020 period, actions were more socially focused, while in 2021-2027, there is a strong bias toward technology and innovation. A significant change between the two periods is that while the Valencian Community was considered a more developed region from 2014 to 2020, it is classified as a transition region in the current programming period, resulting in increased EU co-financing.

Spatial Organisation



EU Funds 2014-2020 and 2021-2027





Local **Limited Administrative Capacity and Institutional Development** - The city faces significant challenges in developing adequate administrative capacity to effectively manage and implement EU CP. The European Projects Service was only created in 2020, until then the city's experience with EU funding was extremely limited. Staffing limitations further strengthen this problem.

Technical Complexity and Administrative Burden - The technical complexity of EU procedures represents a substantial barrier for Valencia. The requirement to meet minimum implementation requirements each year is particularly challenging, this creates a risk-averse approach that may limit the city's willingness to pursue more ambitious EU funding opportunities.

Limited Influence in Policy Design - Valencia could not participate meaningfully in EU CP conceptualization and related national programming, the city is rather a beneficiary.

Regional **Complex Multilevel Governance Structure** - The Regional Government operates within a complex multilevel governance structure where it acts as an IB. This creates challenges in coordination between different levels of government and can lead to delays and inefficiencies in fund allocation and management. They also face challenges in coordinating with national authorities, particularly regarding information sharing about calls for proposals and funding opportunities.

National **Centralized Management Structure** - The Spanish national framework for CP is characterized by a highly centralized management structure where the Ministry of Finance serves as the key MA for all ESIF funding. This centralization creates challenges for effective participation of cities and regions in policy design and implementation.

Inadequate Urban Dimension Integration - Despite the requirement for 8% ERDF allocation for SUD, the integration of the urban dimension into national programming remains insufficient. The experience with ISUDS in the 2014-2020 period demonstrated problems with clarity of selection procedures and subsequent fund management.

Valencia's recent innovations, like the development of the Urban Strategy València 2030 and the creation of a European Projects Service, demonstrate a commitment to overcoming longstanding barriers, like limited administrative capacity and technical complexity. Some other additional innovations have been developed, for example a new management software and an anti-fraud control software. In the last two periods, Valencia has progressively increased its participation in directly managed EU programmes.

