

Spain



Assessment of National Recovery and Resilience Plan according to the Recovery Index for Transformative Change (RITC)

Introduction

The Spanish National Recovery and Resilience Plan (NRRP) is comprised of reforms and investments for a sum of about EUR 140 billion, of which 40.29% are dedicated to the ecological transition and 29.58% to the digital transformation. The plan is structured into thirty components across ten policy areas with the focus on improving career opportunities and life outlook of future generations. These policy areas are: urban and rural agenda; resilient infrastructures and ecosystems; just and inclusive energy transition; an administration for the 21st century; modernising and digitalising industry and SMEs, recovering tourism, and boosting entrepreneurship; science and innovation; education and knowledge; care economy and employment; boosting culture and sports industry; modernisation of the tax system. The investments that request the largest share of funds are sustainable mobility (EUR 13 billion), housing and urban regeneration (EUR 7 billion), SME digitalisation (EUR 4 billion), and a 5G roadmap (EUR 4 billion). The plan also covers the country-specific recommendations by the European Commission, which include improving the sustainability of public finances, the development of human capital, labour market and social services, as well as promoting and accelerating public and private investment and innovation.

This country profile summarises the findings from the assessment of the Spanish NRRP through the Recovery Index for Transformative Change (RITC), which has been developed by ZOE Institute and the New Economics Foundation. The assessment examines the **width of transformative change**, which refers to the cross-cutting reach of a policy measure by evaluating whether it addresses the protection and enhancement of the **natural world**, as well as social dimensions of a **just transition**. The RITC also evaluates the **depth of change** by exploring the extent to which the interventions tackle “root causes” of an issue, be it social or environmental. The scores from nine indicators of width and four indicators of depth are aggregated into an overall **intervention score**. A report on the results of the full assessment is available [online](#).

Assessment Summary

Width

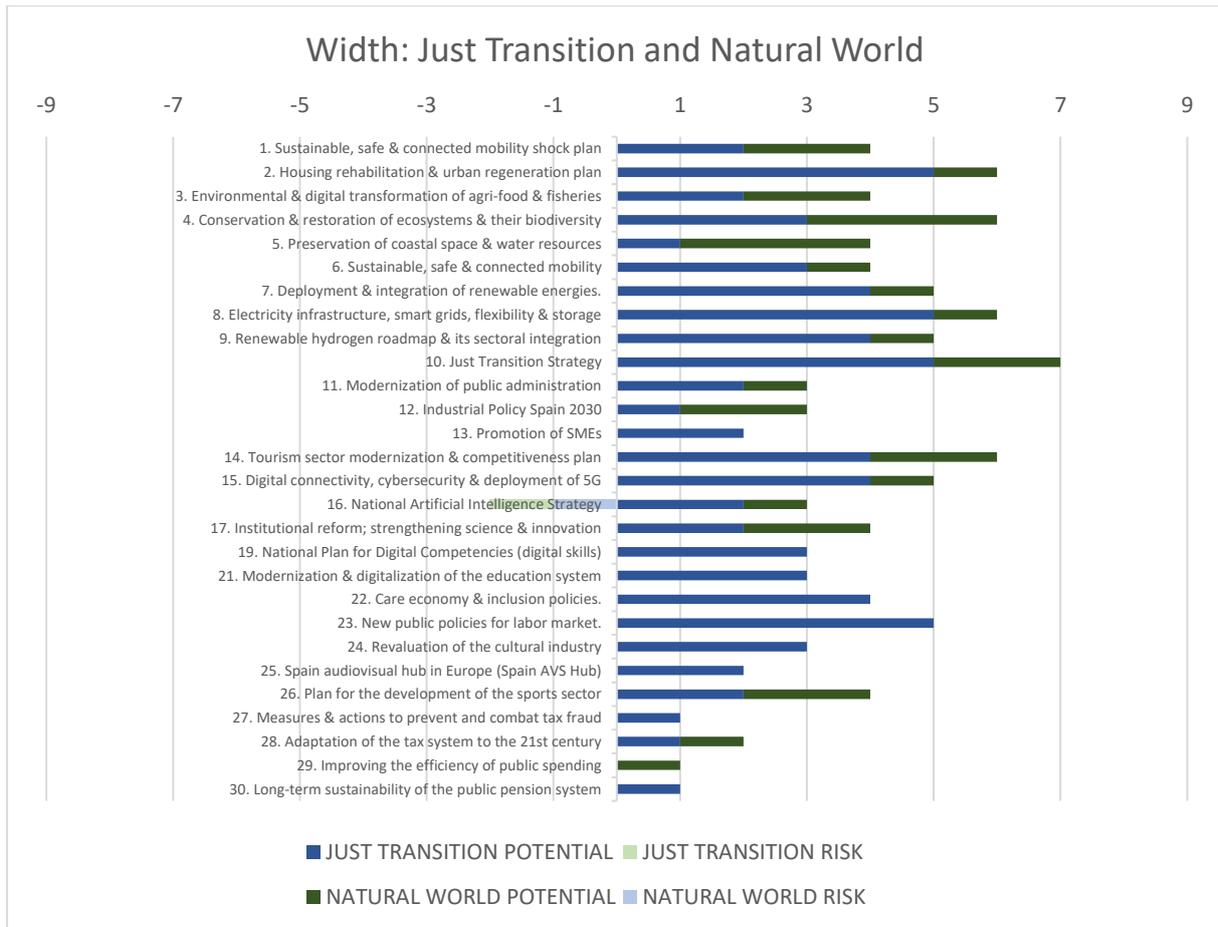


Figure 1: Width of transformative change for a just transition and the natural world

The reforms and investments in this plan overall carry positive potential for a just recovery and the natural world in Spain while still leaving room for improvement with only one measure in the Spanish NRRP found to pose risks to a just transition and the natural world.

Potentials

The highest score in the combined category of just transition and natural world was given for the Spanish Just Transition Strategy (component 10). The strategy is comprised of measures to accelerate the energy transition by substituting fossil energy generation with clean energy sources while making provisions to cushion the negative socio-economic effects on workers and regions that are most affected by this transition. However, unfortunately, this investment’s transformative potential is limited without larger scale investment; it makes up less than 1% of the total NRRP funding¹.

A component that exhibits especially strong potential for a just transition is the Housing Rehabilitation and Urban Regeneration Plan. It foresees legal reforms to set out a right to decent housing, as well as investments to both significantly expand the social housing stock and to remedy depopulation in small towns, with likely positive effects for job creation. Furthermore, the measures take into consideration issues of gender inequality and fuel poverty and have been devised with meaningful public engagement. The Housing Rehabilitation and Urban Regeneration Plan is one of the largest investments of the Spanish NRRP, amounting to 10% of the requested budget or EUR 6.82 billion, and is therefore likely to have a significant impact through both its design and scale.

The reforms and investments for the conservation and restoration of ecosystems and their biodiversity contribute strongly to both the just transition and the natural world. Direct investments into the conservation of terrestrial and marine ecosystems and into greening the urban environment will have a positive impact on

¹ Our analysis does not also consider the scale of investment coming from other sources, such as structural funds or just transition specific mechanisms.

biodiversity and the connection between people and nature. Additionally, the planned investments in conservation and restoration projects will involve the creation of green, nature-based jobs.

Risks

The only component found to pose significant risk is the national artificial intelligence strategy. The measure is at risk of increasing resource consumption through mechanisation and is likely to strengthen existing biases and job loss in, e.g., agriculture, which is may increase negative socio-economic and environmental impacts. Furthermore, automatisisation may put industry jobs at risk. The digital transition therefore requires social protection and active labour market policies to ensure that workers most affected by the transition are not left behind.

Depth

In the RITC assessment framework, the depth of transformative change refers to the extent to which NRRPs address the root causes of social or environmental issues through structural changes in practices and resource flows, relationships and connections, power dynamics, and/or mental models.

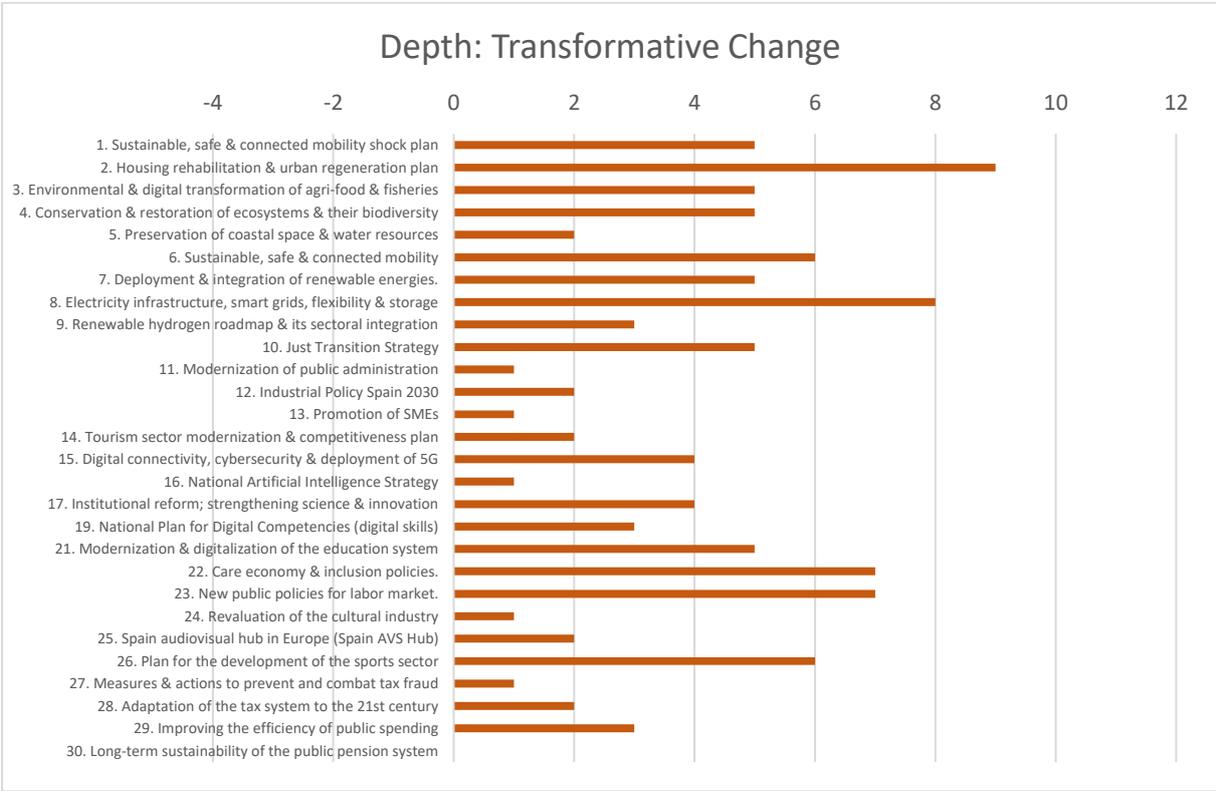


Figure 2: Depth of transformative change

Potentials

Two components particularly stand out for their depth of transformative change. The scale of the investment for the Housing Rehabilitation and Urban Regeneration Plan mentioned above implies a significant change in practices and resource flows, while fulfilling systemic change criteria such as economic circularity and participatory processes. In addition, the programme sets national building standards, fosters cooperation with the private sector on social housing, and encourages policy learning between local authorities. Finally, a right to housing under the plan shifts market power in favor of those who do not own property and change the conception of housing from a market commodity into a fundamental right.

Component 8, which focuses on electricity infrastructure, also offers considerable depth in transformative change. Resource flows are directed to facilitate the integration of renewable energy and assure balanced regional development in green energy infrastructures while energy communities and greater public participation are promoted as well. Power dynamics in the energy market are set to be adjusted to facilitate market entry for new actors. Furthermore, new redistributive business model in the energy industry are encouraged, which is likely to spur a change in mental models in the sector.

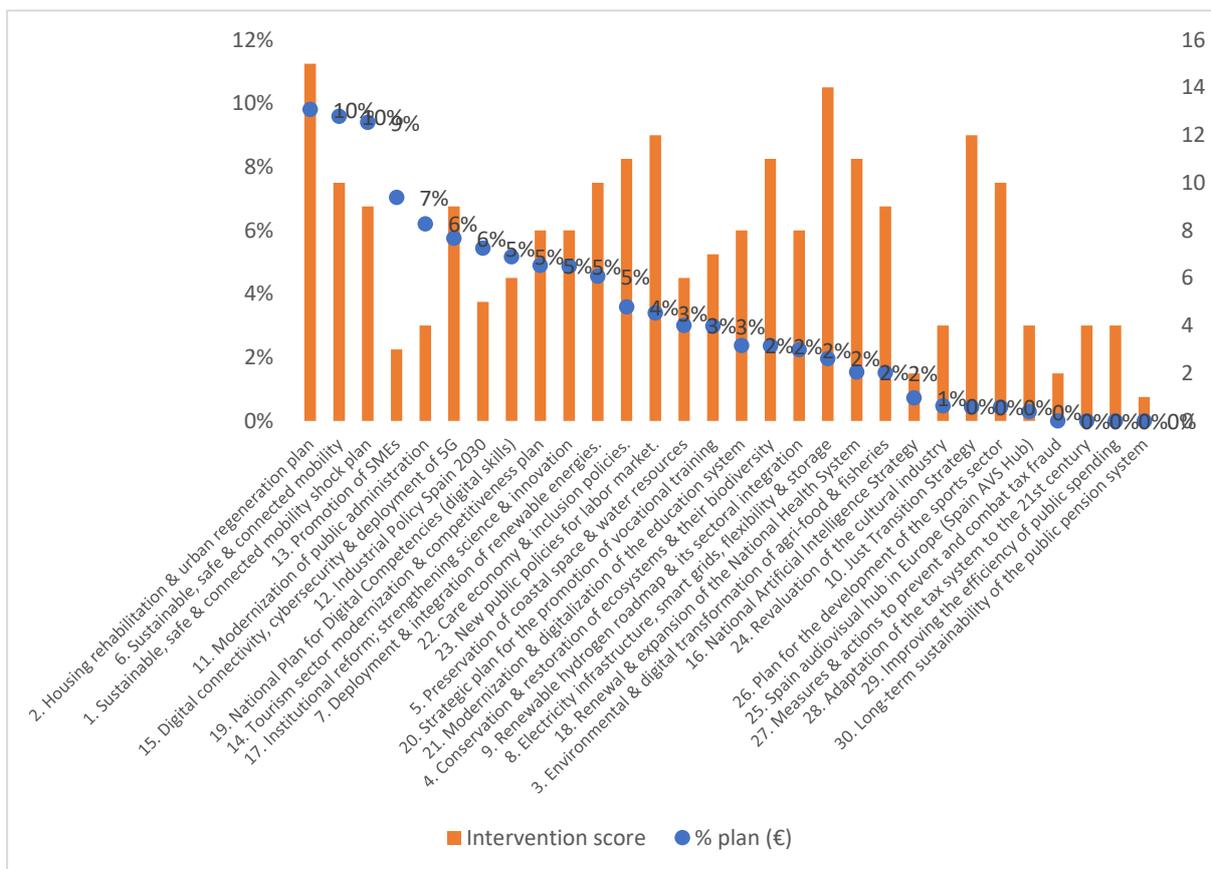


Figure 3: Budget allocation

Conclusions and Policy Recommendations

Looking at Spain’s NRRP as a whole, it exhibits a good level of coherence and synergies between components. The plan achieved a relatively high score on the RITC, as can be seen in Figure 4. However, there remain occasions where prioritisation on a return to economic growth risk undermining or contradicting social or environmental goals.

With regard to the width of measures, the plan overall bears more potential than risk for a just and green transition in the post-Covid-19 recovery. Components such as the Housing Rehabilitation and Urban Regeneration Plan, the development of electricity infrastructure, and the conservation and restoration of ecosystems and their biodiversity show great potential towards systemic transformation. However, an important caveat is that the allocation of funding is overall not geared towards the most transformative components. For example, the promising investments into electricity infrastructure only make up about 2% of total funds, while measures that carry less weight for systemic change, such as the modernisation of public administration or the promotion of SMEs, are allocated 7-8% of total funds. Nevertheless, the Spanish plan is among the highest-scoring countries with regard to the natural world and a just transition, though it still has important gaps to close for large-scale systemic transformation to occur.

When it comes to implementation of the plan, we would encourage the Spanish government to implement measures in a way which integrates inclusion and participation of citizens into operationalisation. We would also encourage the DNSH principle to continue to be a guiding principle, even in the detailed implementation.

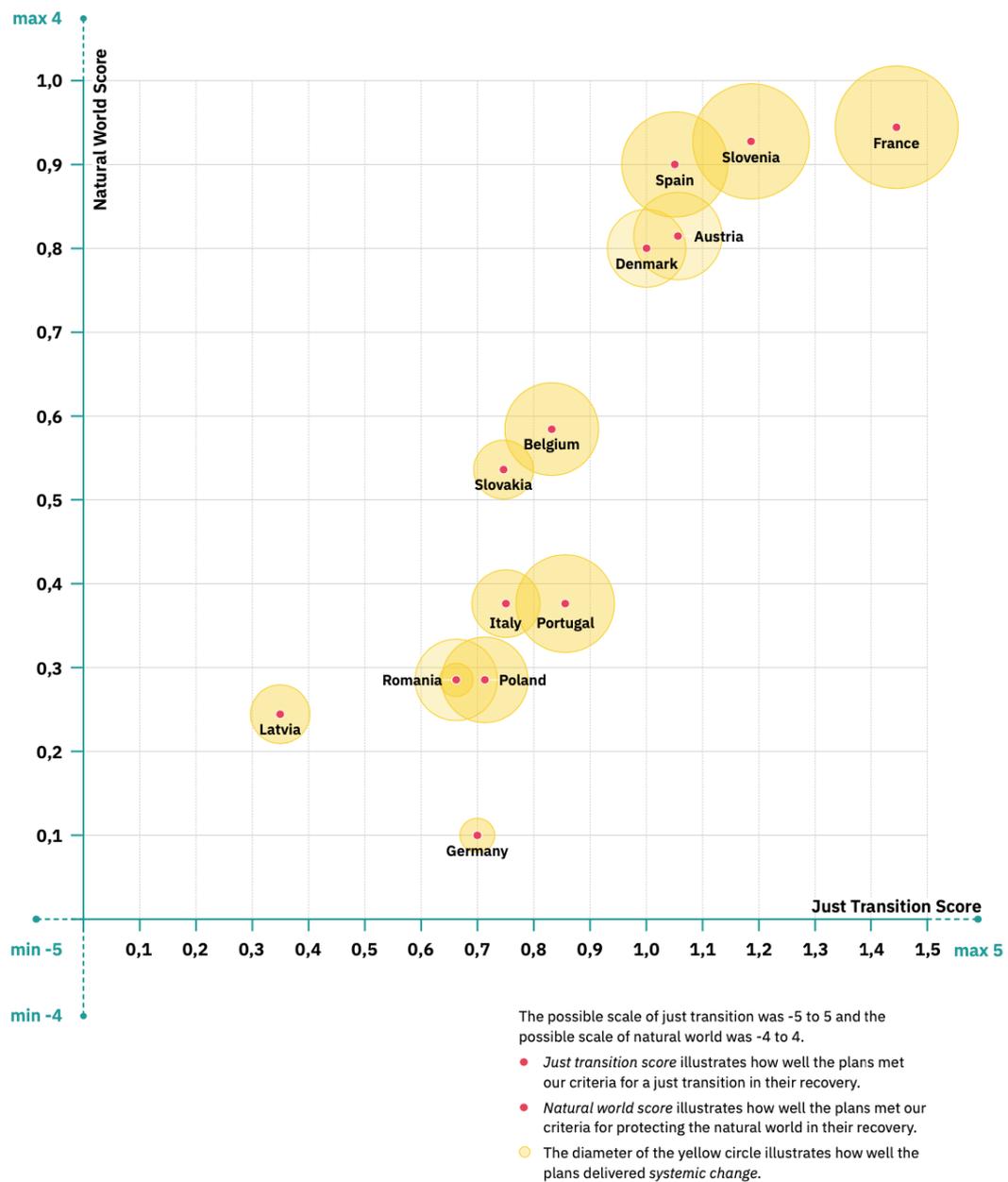


Figure 4: Country comparison of intervention scores

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