

SESSION III: MOBILISING ACTORS AND CAPACITIES FOR REGIONAL DEVELOPMENT

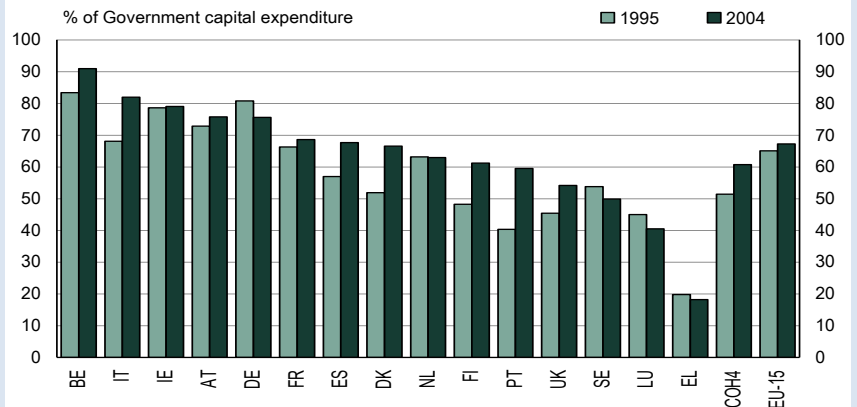
Unlocking regional potential requires close collaboration among actors and capacity building at all levels. Effective leadership is crucial for regional development.

<i>Mind the coordination gaps</i>	<i>Bridge the coordination gaps: some tools</i>
<p style="text-align: center;">Information gap</p> <p>Sub-national governments are well placed to identify opportunities for regional investment and development and specificities of national policy implementation</p>	<p><input type="checkbox"/> Performance Indicators Provide a basis for dialogue, discussion and learning, and help identifying common benchmarks, while enhancing transparency and accountability at all levels of government.</p>
<p style="text-align: center;">Capacity gap</p> <p>Sub-national governments might not have the capacity to design and implement “coherent” strategies, in particular for what concerns strategic planning</p>	<p><input type="checkbox"/> Grants, Co-funding agreements and multi-annual budget Intergovernmental transfers can be used to provide the extra-funding needed for selected projects, or for sharing the risks between levels of government. Long term agreements are essential to support investment commitments.</p>
<p style="text-align: center;">Funding gap</p> <p>Sub-national governments spending responsibilities might exceed their own revenues, thus requiring intergovernmental transfers, which can be earmarked or not. Unstable revenues at the local level might discourage relevant investments</p>	<p><input type="checkbox"/> Inter-municipal coordination There are various degrees of coordination, from limited partnership to mergers. Beyond increasing efficiency in public services delivery, this should support strategic planning at the relevant scale.</p>
<p style="text-align: center;">Administrative gap</p> <p>Local administrative boundaries seldom correspond to economic challenges and functional borders</p>	<p><input type="checkbox"/> Inter-sectoral collaboration Horizontal coordination between ministries can be achieved through the creation of a specific ministry in charge of managing all regional programs, or by the creation of inter-ministerial bodies, etc. Most countries though, lack strong central authorities in charge of arbitration among line ministries for regional policy.</p>
<p style="text-align: center;">Policy gap</p> <p>Purely vertical approaches by line ministries do not allow for effective regional policy as it is a cross-sectorial domain</p>	<p><input type="checkbox"/> Contracts Contracts between central and sub-national governments enjoy a degree of flexibility of use and diversity of application, allowing governments to reorganize rights and duties without requiring a constitutional or legislative change.</p> <p><input type="checkbox"/> Laws and legislation Certainly the strongest tool to promote coordination. Very widely used. Can help overcome an impasse, when cooperation is not spontaneous but might face implementation limitations.</p>

Key issues:

What has been done to build local and regional capacities in order to ensure high quality policy delivery?

Capital expenditure by regional and local authorities, 1995-2004



Source: Eurostat

- ✎ Sub-national governments are responsible for almost 70% of total public investment.
- ✎ Contracts between levels of government allow for differentiating regional strategies while keeping a coherent national policy. They are tools for dialogue, experimenting and clarifying responsibilities, and so for learning.
- ✎ Performance indicator systems promote mutual learning by sharing diagnosis and targets and provide incentives for effectiveness.

What has been done to facilitate policymaking across administrative boundaries (urban-rural linkages, cross border collaboration, etc.)?

What are the successful mechanisms to bring together governments and non governmental actors? Does it work differently in cities than in rural areas?

- ✎ The size of administrative units rarely corresponds to the size of economic areas.
- ✎ Does current governance arrangements allow for exploiting synergies through rural-urban linkages?
- ✎ To what extent could metropolitan governance benefit from amalgamation strategies? What other tools could help responding to urban challenges such as urban sprawl or environmental concerns?
- ✎ Innovation agencies could help overcome administrative boundaries and better incorporate private sector actors.

What has been done to facilitate horizontal cooperation within the central government? What policy lessons have been learnt?

- ✎ Building cross-sectoral arrangements for coherent and effective regional policy remains a key challenge in most OECD countries.
- ✎ Horizontal approaches could allow for economies of scale, sharing of existing information and building knowledge for addressing long-term challenges.
- ✎ Existing arrangements range from bodies in charge of coordinating the activities of sectoral ministries (inter-ministerial committees and commissions), to full-fledged ministries with broad responsibilities (such as ministries for regional policy development)
- ✎ Examples of good practices include cross-sectoral approaches for solving rural weaknesses in public services delivery.