

FORTIFYING THE REGIONS FOR DEMOCRACY AND IMPROVING PUBLIC EXPENSES

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Administrative organization



- Regional Divisions: 15 regions and 51 provinces.
- Regional Governments: Regional manager + Council
- Decentralized Administration, political centralization and delegation of some functions:
 - Ministerial Regional Secretaries (SEREMI) –
 - Undersecretary's office of Regional and Administrative Development
 - FNDR: Fund for regional investment (continuous growth)
- Advances in the regional coordination of investments and public policy



Challenges



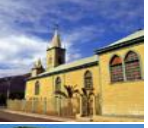
- Centralized and densely populated country
- Densely Populated state
- Effective sectorial public policy
- Predominance of the sectorial realm over the territorial realm
- Predominance of top down realm over bottom up realm
- Differences between the economic policy, the institutional reform and the decentralization
- Regional critical mass (entities, social capital, networks, etc.)
- Ability to govern (governability) / legitimacy
- Research and Development and University networks



Challenges of Territorial Development SUBDERE (2006-2009)



- To conceive decentralization as a means to development, innovation and entrepreneurship in the territories that permits a better share and distribution of opportunities in the country and to give better answers to territorial demands.
- To implement an oriented management and institutionalism to a development project that plans and orders priorities based on the necessities and challenges of territories, coordinating public and private entities as well as the citizens.
- To change the traditional approach of structured programs based on sectorial budgets and priorities for the installation of developmental territorial approach, with the territory as an axis of reference and orientation of institutionalism and investment.



Challenges of Territorial Development

MINISTRY OF PUBLIC WORKS



Public Policy focused on territorial development:

Development of an "infrastructure for competitiveness", that improves the connection that promotes greater productivity of the country and its regions:

- To plan demands of the infrastructure on the basis of definitions of clusters and productive diversifications.
- To identify the productive goals of territories, in conjunction with the exporting model, the productive networks, the tourism, and the services.
- To protect the necessities of the special territories and the macro-zones of the country.
- To promote decentralization, participation and public-private cooperation.



Challenges of the Territorial Development

MINISTRY OF ECONOMICS



- Implementation of Integrated Territorial Programs that change the developmental dynamics of the territory or a specific geographical area.
- To integrate the action of CORFO and other public funding institutions, using instruments of promotion, innovation, investment, etc.
- Mid-term Vision (5 years) with a developmental strategy.
- Agencies of Regional Development:
Institution under State supervision, directed by a public-private council, for the development of a sustainable regional production, that contributes to the increase of regional competitiveness.

They promote the installation of "networks of competitive intelligence and install an information service for productive opportunities, with relation to innovation and sustainable businesses in the region.



SUBDERE: Transfer of Competencies



To cause a change in the regional public institutions

- To transfer to the **Regional Governments** the competencies of territorial organization and planning.
This transfer implies two approaches: one of support and the other being legal reforms.
- Installation of competencies, abilities and technical resources.
- Direct election of the Regional Counselors.

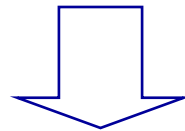


Transfer of Competencies



Present situation of competencies of planning and territorial organization:

- They are distributed via a set of separate public institutions within the regional territory.
- Lack of coordination between institutions.
- Impersonal methodologies and instruments.
- Each institution depends on strategic guidelines from the central level.



A single institution must take over the planning of development of regional territory: the Regional Government.



Transfer of Competencies



Exclusive powers of regional government:

- **Territory Planning:** to plan development of the region, particularly in the scopes of public infrastructure and transport; economic productivity; social, educational and cultural; by means of elaboration, approval and application of strategies, policies, plans, programs and projects in ones territory, those that will have to adjust to the national policies related to the matter; and
- **Territorial Organization:** to plan and to organize the use of ones territory, using the planning instruments available in the Urban and Constructions General Law, so that it will be ones task to design, elaborate and finance regulatory instruments and necessary indicators to be in accordance with this function without detriment to matters of municipal competence in this area.

Transfer of Competencies



Mechanism for transfer

Negotiation Subdere-Sector

Accordance with the functions and conditions of transferring

Technical Commission
Agreements

Support for the transfer of competencies

Training and certification of
minimum conditions

Transfer

Admission to the
accreditation process
and continuous
improvement



Exchange of Competencies



Conditions for transfer: Accreditation

A) Base Instruments:

Regional strategy of Present Development
Request for competencies Transfer from the Regional Council
Organic Structure Approved by Regional Council
Proposal of Approved Transfer

B) Starting Conditions:

The Existence of a planning division
Institutional development Plan
Permanent Technical Support Team
Equipment and infrastructure
Financing operation
Financing programs and studies
Training and Improvement Plan
Proposal of management model
Proposal of management indicators

C) Conditions of management:

Validation of sector indicators
Validation of management sector model
Validation of products

**Verification of
initial
conditions**



Transfer of Competencies



Advantages

- Installation in the Regional Government the required attributions to make decisions about the planning and the use of territory and/or to approve and to solve issues pertaining to organizational instruments.
- Transfer of abilities in professional teams that will allow them to transform themselves progressively into a technical spokesperson capable of negotiating with decentralized public institutions.

The Regional Government will be transformed into the only institution that possesses an integrated insight into the territory and that has attributions to decide the course of its development on the basis of political-technical arguments.



Regional planning system



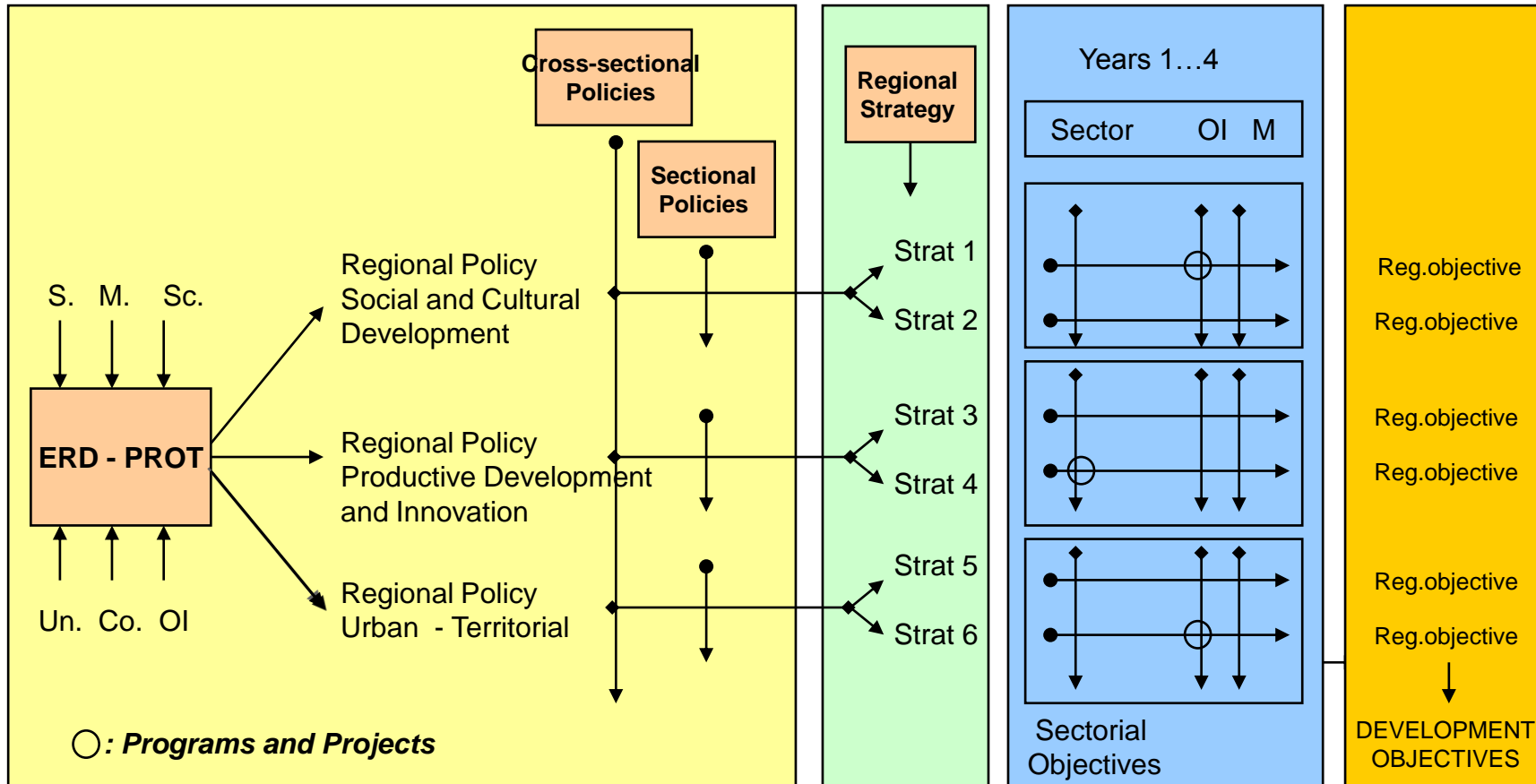
SYSTEM ARTICULATED AND COORDINATED BY THE REGIONAL GOVERNMENT

Regional planning

Strategy

PROGRAMMING

ACHIEVEMENT



- ERD: Regional Developmental Strategy changed into ("Regional Developmental Policy")
- PROT: Regional plan of Territorial Organization (Specialization of the ERD)
- Cross-sectional Policies: Participation, Genre, Environment, others
- Sectorial Policies: Agricultural, Forestry, Industrial policy, Tourism, Sport, others

Transfer of Competencies



Opportunities

- The ministries of planning and housing demonstrated their interest in transferring competences.
- The 13 regional governments were interested in participating in the process.
- At present, 6 regional governments are accredited and 7 still in process.
- There is technical support from the German Cooperation Agency and Cepal.

Threats

- There are difficulties in the Regional Governments to prioritize the territorial perspective over the sectorial ones at the time of negotiating the regional planning with the decentralized public institutions.

Participation of Chile in the TDPC



- Chile replaces the systemic and complementary vision of the OECD related to the economic development of the territory and the institutionalization of the countries.
- It is centered on the economic, social and cultural development of the territory, taking charge of the necessity of a suitable institutionalism to contribute to that objective.
- Thus far, Chile has considered in a separate way the policies of economic development of the territory (instruments of productive promotion) and those of regional and local institutional development (decentralization and fortification of the territorial governments).

