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COUNCIL

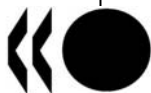
Council

**PROPOSED REVISION OF THE MANDATE OF THE TERRITORIAL DEVELOPMENT POLICY
COMMITTEE**

(Note by the Secretary-General)

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1. In January 1999, the Council adopted a Resolution creating the Territorial Development Policy Committee with a 3-year mandate [C(98)198/FINAL]. The Committee was established to pull together different strands of OECD activities into one new Committee centred on new territorial development policies arising from the changing economic and social conditions, and to assess general policies involving the various partners at national, regional and local level. The Committee subsumed the work of the existing bodies on regional development, urban affairs and rural development and defined the mandates of both the Working Party on Territorial Policy in Urban Areas [Annex II to C(98)198], and the Working Party on Territorial Development in Rural Areas [formerly the Group of the Council on Rural Development, C(95)90/FINAL].

2. In December 2001 the Territorial Development Policy Committee was renewed for a 3-year mandate, until December 2004 [C(2001)257/REV1] with a revised mandate, to fully reflect concepts and key issues, and to put stronger emphasis on the role of territorial indicators. In June 2003, the Committee decided to hold a High-level Meeting. Members recognised that the TDPC should serve as a premier international forum on policy dialogue, exchange of experience and the development of good practice in the field of regional policy and multi-level governance. Based on the results of the meeting, the TDPC mandate was revised and renewed [C(2004)114 & CORR1 and C/M(2004)17, Item 216] for five years, until 31 December 2009.

3. A second meeting of TDPC at ministerial level, *Investing For Growth, Building Innovative Regions* was organised on 31 March 2009, to guide the Committee's future work, and to help shape its mandate for 2010-2014. The aim was to draw key messages from the knowledge built up since the High-level Meeting in 2003 and to provide future orientations for public investment in regions to respond to current challenges (see Chair's summary in Annex III).

4. At the TDPC Ministerial Meeting, Ministers recognised that regional policy has an important contribution to make in restoring the global economy and finding new sources of growth. Regional policy should continue to evolve, in particular to support better targeting of investments and better service delivery. By promoting further identification and dissemination of best practices, the OECD can provide evidence-based recommendations for better regional policy design and implementation. The TDPC should continue to promote the exchange of policy experiences, including with non-Members.

TDPC Mandate 2010-14

5. The TDPC reviewed its mandate as well as the mandates and relevance of its subsidiary bodies [Working Party on Territorial Policy in Rural Areas (WPRUR), Working Party on Territorial Policy in Urban Areas (WPURB), and Working Party on Territorial Indicators (WPTI)], in the context of the meeting of the Committee at Ministerial Level. The Ministers endorsed the key orientations of the Committee's mandate, work programme and related policy messages (the conclusions from the meeting are available on the OECD Website: www.oecd.org/regional/min2009; and in the brochure: *Conclusions of the TDPC at Ministerial Level*). Following up on this evaluation, the TDPC delegates held a series of consultations with the different Working Parties. The conclusions of the Ministerial meeting and the results of these interactions are reflected in the proposed revised mandates. At its Enlarged Bureau on 23 June 2009, to which Committee and Working Party Members were invited, the TDPC agreed upon its proposed revised mandate for transmission to Council [GOV/TDPC(2009)1/FINAL] (Annex I). At the same meeting, the TDPC discussed and agreed upon the proposed revised mandates of its Working Parties (Annex II).

6. The proposed TDPC Mandate emphasises the important role of regional action in ensuring sustainable economic growth and improving the living conditions of citizens. This involves making better use of the ability of local and regional actors to support national strategic objectives through innovative

multi-level governance mechanisms. It addresses the regional dimension of core issues that OECD governments are addressing, such as promoting innovation, increasing the effectiveness of public investment, tackling climate change and making reforms happen.

7. An In-depth Evaluation of the Committee will be completed in 2010. The TDPC commits to return to the Council to propose a revision of its mandate should the recommendations of the In-depth evaluation or other major developments warrant such a change.

8. It is proposed that the revised mandate of the Territorial Development Policy Committee, as set out in the draft Resolution in Annex I hereto, should remain in force for a period of five years, until 31 December 2014, unless the Council decides otherwise. The draft Resolution would supersede all previous provisions concerning the mandate of the Committee.

Proposed Action

9. In the light of the preceding, the Secretary-General invites the Council to adopt the following draft conclusions:

THE COUNCIL

- a) noted document C(2009)126;
- b) adopted the draft Resolution concerning the mandate of the Territorial Development Policy Committee as set out in Annex I to document C(2009)126, which will enter into force on 1 January 2010.

ANNEX I

**DRAFT RESOLUTION OF THE COUNCIL REVISING THE MANDATE OF THE
TERRITORIAL DEVELOPMENT POLICY COMMITTEE (2010-14)**

THE COUNCIL,

Having regard to Articles 5 a) and 9 of the Convention on the Organisation for Economic Co-operation and Development.

Having regard to the OECD Rules of Procedure.

Having regard to the report “The OECD Committee Structure - A review” [CE(98)3].

Having regard to the Resolution of the Council concerning the Creation of a Territorial Development Policy Committee [C(98)198/FINAL].

Having regard to the Resolutions of the Council concerning the Renewal of the Mandate of the Territorial Development Policy Committee [C/M(2001)26], Item 426 and [C(2001)257/REV1], [C/M(2004)114, and CORR1, and C/M(2004)17, Item 216].

Having regard to the emerging synergies with the work in the directorate on Public Governance and Territorial Development.

Having regard to the principal conclusions of the meeting of the Territorial Development Policy Committee (TDPC) at Ministerial Level in March 2009.

Having regard to the proposed revision of the mandate of the Territorial Development Policy Committee [C(2009)126].

Seizing the enormous opportunity Ministers see for regional policy to promote long-term economic development while addressing major national and global policy challenges, such as fostering innovation and entrepreneurship, confronting climate change, moving towards sustainable development, investing in human capital formation, dealing with demographic issues (such as ageing and migration), and enhancing the effectiveness of public investment and the quality of public services in both urban and rural areas.

Recognising that Ministers reaffirmed the need to shift from subsidy-based single sector policies to integrated multi-sector and place-based policies that exploit each region’s competitive advantage and core economic strengths.

Considering the central role of regional development policies as both an agent for achieving structural adjustment, international competitiveness, and innovation, thus contributing to broader national and global objectives.

Acknowledging the importance of regional policy in the context of global economic crisis, and the role it plays in the implementation of effective fiscal packages in response to the crisis.

Acknowledging that the Committee provides a unique forum for Members, non-Members and other relevant stakeholders (international organisations, NGOs, and the private sector) to share views on regional development policy design and implementation and to improve the understanding of economic, social, environmental and institutional trends relevant to regional policy making.

Recognising that the Territorial Development Policy Committee contributes a territorial perspective on major national and global policy concerns and priorities, notably innovation and entrepreneurship, climate change, sustainable resource use and demographic issues, including ageing and migration.

DECIDES

1. The Territorial Development Policy Committee has the following mandate:

Objectives

- a) The Territorial Development Policy Committee (TDPC) seeks to improve the performance of policies to enhance well-being and living standards in all types of regions by influencing the main factors that: sustain regional competitive advantage; generate stronger, fairer and liveable regional economies; and promote effective and innovative governance.
- b) TDPC should serve as a premier international forum for senior-level government policy makers to identify, discuss, and disseminate a vision of development policy that is place-based, multi-level, innovative and geared towards different types of regions. This policy approach focuses on economic growth and competitiveness while integrating environmental and social concerns.
- c) The intermediary objectives of the Committee include:
 - i) Diagnosing policy challenges in different types of regions; comparing cross-territory trends in regional performance, in local finances, and in regional policies; promoting understanding of the linkages between rural and urban areas; and developing and maintaining high-quality and relevant statistical indicators to support policy making.
 - ii) Identifying and addressing the current and emerging regional policy challenges that governments face, particularly with the consequences of the global economic crisis and the responses to critical issues, such as climate change, ageing, and migration.
 - iii) Seizing new regional policy opportunities in key areas such as innovation, green growth, and key national strategies.
 - iv) Undertaking policy analysis of regional competitiveness strategies, with a view to promoting the best use of under-utilised potential for growth, and better incorporate into regional policy making the inter-linkage between economic development, social and regional cohesion and environmental and sustainability concerns.
 - v) Assisting, through the exchange of best practices and peer reviews, Members and non-Members in designing and implementing coherent regional development policies that are based on a whole of government approach, effective targeting of public investments, and efficient delivery of public services to best support development and other major national objectives.
 - vi) Examining how the appropriate governance mechanisms can be identified and put in place to improve policy making.

Co-operation arrangements

- I. TDPC's three Working Parties – urban policy, rural development policy and territorial indicators -- will continue to play a key role in supporting the work of the Committee and assisting in the implementation of its programme of work. The Chairs of the Working Parties will report directly to the TDPC.
- II. Building on its work on multi-level governance, the TDPC should look at how to ensure policy coherence and effective co-ordination between supra-national (when applicable), central and regional and/or local actors, drawing on the work of, and in close co-operation with, the Public Governance Committee.
- III. TDPC and its Working Parties shall co-operate with other OECD committees on matters related to regional development policies, including participation in horizontal activities.

Relations with non-Members, inter-governmental bodies and international organisations

- I. Recognising the global importance of regional policy, the Committee will continue to work closely with non- Members to discuss issues of common interest and identify and disseminate best practices. The Committee may recommend to Council to invite selected non-Members to participate as regular observers, in accordance with Council Resolution C(2004)132/FINAL.
- II. In addition, the Committee will continue its working relationships with other inter-governmental bodies and international organisations, as is the case for the: Council of Europe (CoE), Economic Commission for Latin America and the Caribbean (ECLAC), European Investment Bank (EIB), Inter-American Development Bank (IADB), United Nations Development Programme (UNDP), and the World Bank (WB).
- III. The Committee shall consider the views and input of BIAC, TUAC and other major stakeholders in the field of regional policy.

Duration of the Mandate

2. The mandate of the TDPC shall remain in force from 1 January 2010 until 31 December 2014.

ANNEX II
PROPOSED REVISED MANDATES OF THE TDPC WORKING PARTIES, 2010-14

1. Proposed revised mandate of the TDPC Working Party on Territorial Policy in Rural Areas, (WPRUR) [GOV/TDPC/RUR(2009)1/FINAL]

The Territorial Development Policy Committee,

Having regard to Articles 1, 2, 5a) and 12 of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960.

Having regard to the Rules of Procedure of the Organisation.

Having regard to the resolution of the Council creating the Territorial Development Policy Committee and granting it the responsibility to “Make such special arrangements, including the establishment of Working Parties, as may be necessary to capitalise on and further develop work on specific, priority aspects of territorial development, such as ... rural development, ...” [C(98)198/FINAL].

Taking account of the importance of rural issues in territorial development policies.

Noting that since 1991, the OECD Rural Development Programme has provided analysis and policy guidance on important issues such as rural amenities, partnerships for rural development, employment creation and services in rural areas, rural governance and the generation of appropriate data and internationally comparable statistics.

Recognising that dynamic rural development policies improve national and rural well-being by facilitating structural reform in the various sectors and by diversifying the economic base of rural areas, and that rural policies are an effective means of achieving integrated solutions to economic, social and environmental problems, through appropriate valorisation of resources in rural areas, promotion of their recreational, ecological and cultural heritage, as well as through improving manufacturing and public service delivery.

Noting that new challenges for rural areas emerge in relation to agriculture restructuring, development of services and new activities, social change, water resource management, environmental conditions and technological innovations for which existing policies may be inadequate and that institutional changes are often needed to facilitate co-ordination between several ministries at the national level, as well as the participation of both local and regional authorities and the private sector.

Observing that there is a growing trend for countries to consult with each other on rural trends and on policies at national, regional and local level to support rural development and that the OECD Member countries will greatly benefit from analysis of rural conditions and changes in the economic and social structure of rural areas, and their potential contribution to development generally, carried out in a multinational framework and based on comparable information, both quantitative and qualitative.

Recognising that the activities carried out within this framework are horizontal in nature and involve close co-operation with different committees within the Organisation.

Recognising that national governments can play a key role in supporting bottom-up rural development and in helping to catalyse local initiatives. Rural areas in member countries face a series of new challenges, such as, fostering innovation, adapting to demographic change, confronting climate change by both mitigation and adaptation, obtaining access to high quality public services and redefining their economic function in a rapidly changing global economy.

And in light of the priorities of the TDPC for national and regional reviews, which may focus on rural policy and rural regions, and for horizontal studies of territorial policies and prospects, which can benefit from analyses with a rural dimension.

DECIDES

1. The Working Party on Rural Development Policy (WPRUR) has the following mandate:

Objectives

- a) The WPRUR will aim to serve as a premier international forum on rural policy for senior-level government policy makers, helping countries to assess their approach to rural policy and identify such place-based strategies.
- b) Identify, define, assess and communicate best practice in national and sub-national place-based strategies that improve the competitive position of rural areas based on their inherent potential, encourage sustainable development and enhance the quality of life of all citizens who can benefit from rural products and services.
- c) Provide analysis on rural trends and policy to contribute to the work of the TDPC and its other working parties.
- d) The intermediary objectives of the Working Party include:
 - i) Examining how rural areas can contribute to global and national policy objectives on issues such as climate change, natural resource management, renewable energy and other green growth.
 - ii) Assessing the potential of economic and political urban-rural linkages to achieve effective delivery of public services and improve the quality of life of rural and urban citizens.
 - iii) Analysing the particular service needs and development opportunities of more remote rural communities and identify innovative responses.
 - iv) Investigating the implications of an ageing demographic structure and migration on rural society and the rural economy.
 - v) Further evaluating the benefits of shifting from sector-based subsidy programmes to an integrated, investment-based, multi-sector rural development policies.
 - vi) Undertake rural policy assessments that are based on agreed-upon principles of sound rural development policy, and promote coherence between relevant sectoral policy approaches.
 - vii) Improve communication between countries on rural policies and governance, for example through round tables and improved use of modern media.

Co-operation arrangements

- I. In the pursuit of these objectives, the Working Party on Rural Development Policy shall work with its parent Committee, the other TDPC working parties and other competent bodies in the Organisation. The Chair of the WPRUR will report directly to the TDPC.
- II. The Working Party on Rural Development Policy shall maintain, as needed and in accordance with the priorities of its parent Committee and with the OECD Conventions and Rules of Procedure, relations with non-Members and with other international organisations.

Duration of the Mandate

2. The duration of the Working Party's mandate is concurrent with that of the Territorial Development Policy Committee.

2. Proposed revised mandate of the TDPC Working Party on Territorial Policy in Urban Areas, (WPURB) [GOV/TDPC/URB(2009)1/FINAL]

The Territorial Development Policy Committee,

Having regard to Articles 1, 2, 5a) and 12 of the Convention on the Organisation for Economic Co-operation and Development of 14th December 1960.

Having regard to the Rules of Procedure of the Organisation.

Having regard to the resolution of the Council creating the Territorial Development Policy Committee and granting it the responsibility to “make ... special arrangements, including the establishment of Working Parties, as may be necessary to capitalise on and further develop work on specific, priority aspects of territorial development, such as urban affairs, ...” [C(98)198/FIN].

Taking account of the importance of urban issues in territorial development policies.

Noting that since 1979, the OECD programme of work on urban affairs has provided analysis and policy guidance on issues of pressing concern to Member countries such as distressed urban areas, urban governance and finance, urban environmental policy and urban economic development.

Recognising that policies to improve the quality of life, social cohesion, and economic opportunities in cities are an important element in national strategies for regional development, that the benefits and costs associated with urban growth have regional and national consequences, and that an urban policy is an effective means to pursue an integrated strategy that simultaneously addresses environmental, social and economic policy considerations to achieve integrated, coherent, multi-level public policy objectives of national consequence.

Taking into account that better urban policies are a response to the medium-term objective of the OECD, to advise “Member governments on ways to maximise the benefits of economic development, whether local, national or global, and at the same time, to ensure that economic growth is consistent with sustainability as a global objective”.

Noting that new challenges for cities are emerging in relation to economic activity and investment, social change, public finance and services, environmental conditions and technological innovation for which existing policies may be inadequate, and that institutional changes are often needed to enhance the capacity of urban governments, in partnership with civil society and the private sector, to respond more effectively to urban problems.

Observing that there is a growing trend for countries to consult with each other on urban trends and on policies at the national, regional and local level to guide urban development; that Member countries are working toward similar objectives for urban policy; and that successful urban policies in Member countries may provide best practices elsewhere in the world, where urbanisation remains a potent force for change and development.

DECIDES:

1. The Working Party on Territorial Policy in Urban Areas (WPURB) has the following mandate:

Objectives

- a) The WPURB will aim to serve as a premier international forum for senior-level government policy makers of urban policy to identify, discuss and disseminate a vision of urban development that is

place-based, multi-level, innovative and to target simultaneously economic, social and environmental objectives.

- b) Provide analysis on urban trends and policy to contribute to the work of the Territorial Development Policy Committee (TDPC) and its Working Parties.
- c) The intermediary objectives of the Working Party include:
 - i. Diagnosing the nature, scale and complexity of economic, social and environmental challenges, which urban regions in OECD countries face, as well as new sources of long-term growth to achieve sustainable urban development through a cross-sectoral, integrated approach.
 - ii. Analysing the governance challenges related to effective and efficient coordination among municipalities within urban regions, among different levels of governments, as well as cross-border cooperation between urban areas.
 - iii. Assessing the potential of economic and political urban/rural linkages to achieve effective delivery of public services and improve the quality of life of rural and urban citizens within regions.
 - iv. Assessing the contribution of urban areas to global challenges and OECD cross-cutting activities such as innovation and clusters, climate change and green growth, ageing and demographic issues.
 - v. Accomplishing the results of national and regional territorial reviews with a focus on urban regions, in particular by using international comparable indicators and identifying best practices among OECD Member countries.
 - vi. Identifying effective policy instruments and strategies to foster sustainable urban competitiveness including innovation and clusters, green economic development, employment and human capital, infrastructure and capital formation, as well as integration of marginalized populations. Particular attention should continue to be given to land use and spatial planning.

Co-operation arrangements

- I. In pursuit of these objectives, the Working Party on Territorial Policy in Urban Areas will report to the Territorial Development Policy Committee (TDPC), and work with the other TDPC working parties and other relevant bodies in the Organisation. This will enable the OECD to harness all its capabilities for the comprehensive study of high priority urban development issues, in line with the Organisation's overall work programme on territorial development. The Chair of the WPURB will report directly to the TDPC.
- II. 1. The Working Party will maintain, as appropriate, and in conformity with the priorities of its parent Committee and of the OECD Convention and Rules of Procedure, relations with non-Members and other international organizations. It will carry out its tasks, taking fully into account the work of these organisations.

Duration of the Mandate

- 2. The duration of the Working Party's mandate is concurrent with that of the Territorial Development Policy Committee.

3. Proposed revised mandate of the TDPC Working Party on Territorial Indicators, [GOV/TDPC/TI(2009)1/FINAL]

The Territorial Development Policy Committee,

Having regard to Articles 1, 2, 5a) and 12 of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960.

Having regard to the Rules of Procedure of the Organisation.

Having regard to the Resolution of the Council creating the Territorial Development Policy Committee and granting it the responsibility to “make ... special arrangements, including the establishment of Working Parties, as may be necessary to capitalise on and further develop work on specific, priority aspects of territorial development, such as ...territorial indicators and data bases; ...” [C(98)198/FINAL].

Considering that quantitative information on regional trends across OECD Member countries is indispensable for understanding national and sub-national patterns and dynamics of structural change and for facilitating international comparison and co-operation with respect to sustainable development issues.

Recognising that comparative economic analysis across sub-national territorial units will reveal the contribution of integrated, cross-sectoral, place-based development policies that balance economic, social and environmental concerns and have the potential to reduce disparities.

Acknowledging that the Working Party on Territorial Indicators (WPTI) contributes to support the mission of the Territorial Development Policy Committee (TDPC) in improving the performance of policies to enhance well-being and living standard in all types of regions.

DECIDES:

1. The Working Party on Territorial Indicators has the following mandate:

Objectives

- a) The WPTI will aim to serve as a premier international forum to define and discuss the statistical tools to measure regional development policy and to disseminate innovative approaches to analysis of regional growth for facilitating exchange of experiences, as well as international comparison and co-operation.
- b) The objective of the Working Party on Territorial Indicators (WPTI) is to contribute an evidence based analysis of the regional characteristics, resources and potential for development and to improve the understanding of sub-national patterns and dynamics of structural change in all types of regions.
- c) The intermediary objectives of the Working Party include:
 - i. Providing quantitative analysis of regional economic development and regional competitive advantages, as well as refining the understanding and definitions of rural and urban areas.
 - ii. Deepening the analysis at regional level of innovation and human capital as key factors that underpin development and lasting economic strength, taking account of demographic challenges such as migration and ageing.

- iii. Updating, improving, and broadening the OECD regional data base. Explore the use of additional relevant information for analysis, and when possible consider qualitative analytical techniques.
- iv. Surveying Member countries' use of information to define regional policy strategies, and prioritise investments and service delivery.
- v. Engaging in promoting and sharing innovative tools to disseminate the knowledge about the potential roles of regions to contribute to national and global growth and well-being, namely supported by geographical information tools.
- vi. Contributing to the statistical work across the OECD, as well as to task forces by other international organisations as well as national, regional and local initiatives in OECD Member countries and non-member countries.
- vii. Improving the awareness and the access to WPTI outputs for all levels of administrations and the public.

Co-operation arrangements

- I In the pursuit of these objectives, the WPTI shall work with parent Committee and the other TDPC working parties. The Chair of the WPTI will report directly to the TDPC.
- II The WPTI shall maintain close working relationships with other relevant bodies of the Organisation.
- III The Working Party on Territorial Indicators shall maintain, as needed and in accordance with the OECD Conventions and Rules of Procedure, relations with other international organisations and perform its task with all due regard to the work of these organisations. The WPTI shall develop relations with non-Members, as defined by the outreach strategy of its parent Committee.

Duration of the Mandate

- 2. The duration of the Working Party's mandate is concurrent with that of the Territorial Development Policy Committee.

ANNEX III

TDPC MEETING AT MINISTERIAL LEVEL INVESTING FOR GROWTH: BUILDING INNOVATIVE REGIONS, 31 MARCH 2009

Chair's Summary

Mari Kiviniemi, Minister of Public Administration and Local Government

Finland has had the great privilege of chairing the meeting of the TDPC at Ministerial Level, "Investing for Growth: Building Innovative Regions". This was preceded by the Regional Policy Forum, "*Global Crisis, Regional Responses*", which benefited from contributions by trade unions, business and industry, representatives from cities and regions, civil society, and the education and research community.

Regional policy and the current crisis

Based on reports from the discussions at the Forum, Ministers debated how the crisis is affecting urban and rural regions, central and sub-national governments, the public and private sectors. The impact has been significant and widespread, causing substantial social and economic distress.

Ministers concurred that the crisis is hitting regional and local government budgets hard at a time of difficult access to credit. Noting the risk that some regional governments may have to reduce their public investments, running counter to national governments' efforts to stimulate the economy, Ministers agreed on the need to better co-ordinate stimulus packages across all levels of government and internationally.

Ministers agreed that regional policy plays a major role in maximizing the positive impact of public investment. Public infrastructure investment is a key pillar of strategic responses to economic crisis in many countries. Ministers underlined that regional policy has an important role to play in ensuring that this public investment is transparent, well-targeted, and timely, and that it leads to sustainable long-term productivity growth. In a situation of economic crisis, some governments will invest heavily in hard infrastructure. In this context, Ministers debated evidence that suggests that the impact of infrastructure on productivity growth increases with an integrated approach that includes investment in skills and innovative capacity in a way that maximized local strengths and assets.

Ministers agreed that regional policy should provide a framework for evaluating the impact of economic development policies. It can help governments avoid the pitfalls of policies based on subsidies and state aids to favoured sectors or firms, which introduce economy-wide distortions and exacerbate international trade frictions. The closing of markets would exacerbate the crisis and deepen the recession.

Ministers underlined that regional policy can also serve as a practical means to accelerate investment in a coherent and strategic manner. As governments try to stimulate economic activity through infrastructure development, pushing investment forward is difficult without clear roadmaps based on agreed priorities, needs assessment and stakeholder buy-in. This is essential to maximize the long-term impact of public investment.

Ministers agreed that regional development strategies often represent such an agreed and validated roadmap, and investment plans could be brought forward (front-loaded) to deal with the immediate needs of responding to the crisis. Ministers also agreed that the current crisis is an opportunity to combine emergency action with the important structural reforms needed to improve long-term growth and resilience in national, regional and local economies.

Regional policies, national objectives and global challenges

Ministers reaffirmed commitments made at the last TDPC High-level Meeting in Martigny, Switzerland in 2003 where they agreed to shift from redistributive subsidies to investment in regional competitive advantages; from a narrowly sectoral approach to integrated cross-sectoral projects; from top-down, centralised policymaking to multi-level governance partnerships. Improved regional policies, Ministers concurred, will contribute to broader national and global objectives, including solutions to the economic crisis in the medium term and climate change and ageing in the long term. They warned participants to avoid the temptation to fight the economic crisis with economic nationalism, protectionism and a return of old subsidy-based regional policies, both in urban and rural development.

Discussing opportunities offered by the “green economy”, Ministers noted that investment in “green” cities can support economic recovery and meet longer-term environmental goals. While recognizing that cities often serve as key engines of national growth, Ministers expressed concerns about rising urban unemployment and poverty, social distress, environmental degradation and, in some cases, crime. They agreed that urban policy should address the negative aspects of urbanisation and maximize economies of agglomeration by providing infrastructure and other public goods. This includes investment in human capital formation as a key tool to maximize innovation capacity in urban centres, as well as measures to foster integration and social inclusion.

Ministers also recognised that the crisis and the emerging need for action on climate change offer a unique window of opportunity to further modernise rural economies. They discussed possible approaches to accelerate long-term structural change and create a renewed set of rural jobs, especially in the ‘green’ sector. Ministers noted that distinctive rural advantages – higher quality of life and the existence of various natural and cultural amenities- have fostered a rural renaissance in some regions. Ministers discussed ways to boost employment in rural economies while preserving natural resources. They noted that major new investments in rural areas, including in alternative energy production and carbon sequestration, can both enhance energy security and address global concerns.

Recognizing the increasing economic connections between cities and rural areas, Ministers called for regional strategies that take into account the cascading effects of policy decisions that link urban and rural regions, including issues related to education and skills upgrading, food and clean water supply, and migration.

Unlocking regional growth: making regions more innovative

Ministers concurred innovative regions strengthen long-term national competitiveness. Support for innovation should be a key pillar of economic recovery measures, generating sustainable growth by making economies more resilient to future economic shocks.

As the innovation process changes and becomes more complex, so do policy challenges. Ministers agreed that no single policy formula can promote innovation in all regions and that not all regions will become science and technology leaders. Some regions are best advised to invest in ways to absorb technology and in managerial and entrepreneurial skills. Local knowledge needs to be mobilised for regions to design their own innovation systems and use knowledge and technology more effectively.

Mobilising actors and capacities for regional development

Ministers stressed that unlocking regional potential requires close collaboration among actors across all levels of government, as well as the private sector and civil society. Ministers agreed with the need for effective leadership to build the regional and local capacities necessary to ensure high quality policy delivery.

Ministers debated the advantages of having a single “gate-keeper” for regional policy at the national level, with strong political endorsement and sufficient financial resources. They also discussed ways to ensure stable and transparent funding for regional policy, underlining the role of contracts as a tool for combining differentiated regional strategies with a coherent national policy. They also shared their experience with performance indicators to enhance transparency, accountability and capacity building at all levels of government. Finally, Ministers agreed on the need to create networks of local authorities to pool and leverage talent. They noted that this could help build capacity and boost innovation at the local level.

Regional policy objectives and the role of the OECD

Ministers agreed that in this moment of crisis and uncertainty, the need for a policy forum to identify and disseminate best practices, and to improve regional policy design and implementation is greater than ever. They invited TDPC to continue to identify, discuss, and disseminate a vision of regional development policy that is place-based, multi-level, and geared towards different types of regions.

Ministers indicated that future work should focus on mobilising local assets in order to promote long-term economic growth and address major national and global policy challenges. They called for further work on policy tools to enhance competitiveness and identify regional comparative advantage. Special emphasis should be given to how innovation can help regions move up the global value chain. Ministers noted that evidence-based analysis and high-quality statistical indicators are essential to support policy making.

Ministers also asked TDPC to address emerging regional issues such as finding ways to improve the effectiveness of public investment, confront climate change, move towards sustainable development, build skills, and improve the quality of basic public services in scarcely populated areas.

Ministers agreed that TDPC should continue to work on instruments for coordinating stakeholders at all levels of government. Ministers discussed the challenge of policy co-ordination across administrative boundaries, especially in the context of metropolitan areas. They asked for further work on policy tools to encourage collaboration between economic areas that straddle national borders. They encouraged TDPC to look into issues related to the optimal size and scope of a territory when it comes to the design of regional strategies and the efficient delivery of policy or of public services.

Last but not least, OECD Ministers agreed that the Committee should continue to work closely with a broad range of countries to discuss issues of common interest and identify and disseminate best practices. They warmly welcomed the attendance at the Ministerial of representatives from Brazil, Chile, Estonia, Indonesia, Israel, Morocco, Russia, Slovenia and South Africa, who greatly enriched the policy debate.