

For Official Use

C(2014)126

Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

26-Nov-2014

English - Or. English

COUNCIL

Council

**DRAFT RESOLUTION OF THE COUNCIL REVISING THE MANDATE OF THE TERRITORIAL
DEVELOPMENT POLICY COMMITTEE AND RENAMING IT THE REGIONAL DEVELOPMENT
POLICY COMMITTEE**

(Note by the Secretary-General)

JT03367255

Complete document available on OLIS in its original format

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



**C(2014)126
For Official Use**

English - Or. English

Background

1. The Territorial Development Policy Committee (hereafter the “Committee”) was created in January 1999 as an international forum to discuss regional, urban and rural policies involving policy makers at the national, regional and local levels. The current mandate of the Committee [[C\(2009\)126](#)] expires on 31 December 2014. From an initial focus on subsidies and compensatory policies, the Committee’s work has increasingly focused on competitiveness, growth and well-being and has helped establish regional development as a key component of the OECD structural policy package. The Committee has evolved towards producing analysis and recommendations serving economy-wide objectives, such as national growth strategies or the multi-level governance of public investment. The latter is the focus of the first OECD legal instrument proposed by the Committee to the Council for adoption.¹ To maintain this momentum, the Committee organised a meeting at ministerial level in December 2013 to guide its future work and to help shape its mandate for the next five years [see [GOV/TDPC/MIN\(2013\)3](#)].²

2. This note provides a proposed revised mandate for 2015–19 (reproduced in the Annex) and proposes a name change for the Committee to the “Regional Development Policy Committee”. It also presents an evaluation of the Committee substructure. The proposed draft Resolution was discussed at its 31st session in April 2014 and approved by the Committee under the written procedure on 10 November 2014 for transmission to Council.³

Revision of the TDPC Mandate

Policy objectives

3. As a basis for developing the proposed revised mandate, the Committee considered the current mandate, along with:

- the recent Programme Implementation Report (hereafter the “PIR”) showing the evaluation of the policy impact of the completed Programme of Work and Budget (hereafter the “PWB”) 2011-12,⁴ and feedback received over the years on the extent to which the Committee is aligned with the policy priorities of Members;
- the Expected Outcomes found in the recently elaborated Committee PWB 2015-16;⁵
- the results of the In-depth Evaluation of the Committee;⁶ and
- the discussions at the December 2013 Committee Ministerial meeting.⁷

4. Indeed, feedback received from Ministers at the Committee Ministerial meeting held in Marseille (France), with strong high-level attendance (29 ministerial-level participants from 39 delegations), as well as the key messages from the Ministers to the OECD (i.e. “*we invite the OECD to continue to provide vital data as well as policy-relevant advice and implementation guidance*”), suggest that the current overarching policy objective is well supported and relevant for Members.

¹ The Recommendation of the Council on Effective Public Investment Across Levels of Government [[C\(2014\)32](#)] was adopted on 12 March 2014.

² See [GOV/TDPC/MIN\(2013\)3](#).

³ See [GOV/TDPC/M\(2014\)2](#) (forthcoming).

⁴ See [GOV/TDPC\(2014\)8](#).

⁵ See [GOV/TDPC\(2014\)2/REV2](#).

⁶ See [C\(2012\)84](#).

⁷ See Ministerial Chair’s Summary [[GOV/TDPC/MIN\(2013\)3](#)].

5. The objectives in the current mandate have strongly contributed to the development of the Committee and several elements remain at the core of Committee work (see Mid-level objectives i and ii). In addition, a number of areas of work have emerged that should be reflected more explicitly in the upcoming mandate, as was confirmed by Ministers at the recent Committee ministerial meeting.

- The first issue is related to the *role of cities and their linkages with other regions and rural areas*. The previous mandate had a primary focus on the development of regions and territories, perhaps somewhat overlooking the fact that in many places regional development depends heavily on strong and well-functioning cities and metropolitan regions. In other words, the regional, rural and urban policy agendas have frequently been set in a fragmented way without taking sufficient consideration of the linkages between different types of regions. This is particularly important when considering the role of regional and urban policies for economy-wide policy objectives. It is the *system of cities, regions and rural areas* that determines the performance of countries. Cities and metropolitan regions can serve as centres of best practice and innovation that help the catching up process of the other regions. In addition, rural regions with the appropriate policies can contribute to national prosperity. Thus, the proposed revised mandate gives a much stronger focus on the importance of well-functioning cities and the linkages between rural and urban areas (see Mid-level objectives iii and iv).
- The second issue is *how to fit policies to places*. Once the system of cities, regions and rural areas is identified as an integrated entity, policies need to be adapted to the different types of places. It is this differentiation of policies that enables better use of specific local resources and assets, maximises the synergies across different sectoral policies and aligns policies across the different levels of government. The search to fit policies to places implies identifying the relevant functional areas (for example a metropolitan area, a local labour market or a water basin) which can often greatly diverge from the traditional administrative boundaries in place. To overcome the constraints generated by the existing administrative structure, governments need either to undertake territorial reforms or to put in place appropriate governance mechanisms to ensure co-ordination across administrative entities. Thus the proposed revised mandate clarifies that governance arrangements need to address policy at the relevant territorial scale (see Mid-level objective v).
- The third issue concerns the role of *sub-national governments* in the policy dialogue regarding regional, rural and urban policies. The majority of these policies are actually designed and implemented by towns, cities and regions, albeit representation at the policy dialogue level is for the most part made by national governments. Therefore, there is a need for sub-national governments to be more involved in the policy dialogue that takes place in the Committee. To this end, the proposed revised mandate creates a space for discussion with sub-national governments. The objective should be effective policy at and across all levels of government. This dialogue can unfold in different ways and requires some experimentation, but clearly needs to be a new objective of the Committee (see Mid-level objective vi).

6. In addition to substantive changes, references to the Committee's establishment and milestones have been streamlined in the Preamble, while a reference to the Resolution of the Council on Partnership in OECD Bodies [[C\(2012\)100/FINAL](#)] has been included in accordance with current practices for all Level-I Committee mandates.

Working methods

7. To improve the quality and impact of Committee products, this section was added to clarify how the Committee will achieve its objectives. The Committee will thus continue to produce peer reviews, analytic reports and high-quality statistics that support evidence-based policy making. It shall also continue to promote opportunities for best practice exchange and greater dissemination of Committee products.

Co-ordination arrangements

8. In view of the increasing horizontal work and proposed increased dialogue with sub-national governments, it is proposed that the Committee largely maintain its current section on co-ordination arrangements. The main change would be to update the references to other international bodies to include a wider range of stakeholders with related agendas to that of the Committee, including entities that represent the views of sub-national governments, as well as the specific mention of co-operation with the Local Economic and Employment Development Programme (hereafter “LEED”) in view of increased horizontal work with that body, as recommended in the last In-Depth Evaluation of the TDPC.

Change in the Committee Name

9. Following the Committee Ministerial meeting, delegates discussed changing the name of the Committee at its 8-9 April 2014 meeting. It was concluded that “territorial” could lead to misinterpretation in several countries and that “regional” would be more representative of the Committee’s focus. It was agreed to change the name of the Committee to “Regional Development Policy Committee”, with the new acronym being “RDPC”. This new name would better reflect the work of the Committee; help to attract the right participants from policy makers worldwide, external stakeholders and the public, and thus help to achieving the Committee’s objectives. By the same token, two of the Committee’s working parties (WPRUR and WPURB) will each undergo a name change to respectively become the “Working Party on Rural Policy” and the “Working Party on Urban Policy”.⁸

Evaluation of the Committee substructure and revision of the mandates of its Working Parties

10. Rule 21 c) of the OECD Rules of Procedure requires committees to undertake an evaluation of the continuing relevance of their own substructures and to submit the results to the Council at the same time as proposing the renewal of their mandates.

11. The Committee has three working parties within its formal substructure: the Working Party on Territorial Indicators (“WPTI”); the Working Party on Territorial Policy in Rural Areas (“WPRUR”) and the Working Party on Territorial Policy in Urban Areas (“WPURB”). The Committee was invited to evaluate its subsidiary bodies based on the following criteria:

- Are there any sub-bodies overseeing projects that are finalised or where activity has decreased significantly?
- Is the current sub-body structure adequate to deal with new work items and implementation of the mandate’s vision?
- Is there significant overlap in objectives of the work of existing sub-bodies?

12. On this basis, the Committee discussed the continued relevance of its substructure at the Committee meeting on 8-9 April 2014 and considered whether to continue or amend the Working Parties and their mandates.⁹ The three Working Parties were deemed to actively support the Committee, notably the design and implementation of policies tailored to urban and rural regions, and the development of measurement tools to underpin analyses. Delegates also called for continued and enhanced collaboration between the three Working Parties. The outcome of the evaluation can be summarised as follows:

⁸ Approved by the Working Parties on 20 October 2014 and by the Committee on 10 November 2014 under the written procedure [see [GOV/TDPC/RUR\(2014\)2/REV1](#) & [GOV/TDPC/URB\(2014\)5/REV1](#)].

⁹ See [GOV/TDPC\(2014\)5](#) and the summary record of the discussion [[GOV/TDPC/M\(2014\)1](#), para. 19].

- There was broad recognition of the increasing need for the data and measurement tools that link indicators with policy, as provided by the **WPTI**. The tools developed by this Working Party are as follows:
 - *The OECD Regional Database* provides a unique set of comparable statistics and indicators on about 2 000 regions in the 34 OECD Members and selected non-Members. It currently encompasses yearly time series for approximately 40 indicators of demography, economic accounts, labour market, social and innovation themes.
 - *The OECD Metropolitan Database* provides a set of economic, environmental, social and demographic estimated indicators on the 275 OECD metropolitan areas (functional urban areas with 500 000 or more inhabitants).
 - The web-tools *OECD eXplorer* and *Metro eXplorer* allow comparison of demographic trends, economic, social and environmental performance of regions and metropolitan areas in OECD Members and to view interactive maps and other visual presentations of the regional database and the metropolitan database.
 - The *OECD Regional Well-being* web tool allows the measurement of well-being across 362 regions based on nine topics central to quality of life. Comparable measures of regional well-being offer a new way to gauge what policies work and can empower a community to act to achieve a higher level of well-being for its residents.
- The **WPRUR** has moved from having a narrowly defined rural dimension to progressively enlarging its focus to incorporate broader regional issues and the integration of rural policies with urban policies. It has also paid greater attention to migration, demographic issues and the specific needs of less accessible rural areas. In particular, it continued work on renewable energy as an economic development strategy for rural areas; adapted and promoted analysis on how rural areas can contribute to growth; and developed a comprehensive framework to analyse rural-urban partnerships. It also continued to leverage the OECD Rural Development Policy Conference, organised under the auspices of the WPRUR. The 2012 conference in Krasnoyarsk, Russian Federation fostered thinking on “Innovation and Modernising the Rural Economy”. The 2013 Bologna, Italy conference also attracted urban policy makers, providing a strategic platform to continue work on rural-urban linkages. The 10th OECD Rural Development Conference is planned for 2015 in the United States.
- The **WPURB** has accompanied the increasing interest in the role of cities and urban policies in our economies. In particular, it is developing National Urban Policy Frameworks which emerged from the work and discussions in the Working Party, and appeared as one of the main pillars of the recent Committee Ministerial meeting. The OECD Roundtable of Mayors and Ministers organised under the auspices of the WPURB has also attracted increasing attention on the part of policy makers. This culminated in a very successful 5th Roundtable held back-to-back with the Committee Ministerial. The 6th Roundtable is planned for Mexico City, Mexico in 2015, and further interest has been indicated on the part of Prague, Czech Republic to host the subsequent Roundtable.
- Despite an increasing examination of the interlinkages between urban and rural areas within the Committee’s work, delegates noted the importance of maintaining both the WPRUR and the WPURB. The value of the dialogue stems in part from the fact that the two Working Parties bring together representatives of different institutions and constituencies, with different policy approaches.

13. The Committee agreed to maintain the substructure currently in place of the three Working Parties, with necessary mandate adjustments, in order to enable it to fulfil the proposed revised Committee mandate. It was agreed nonetheless to reassess the relevance of the subsidiary bodies mid-mandate, should the Committee deem it necessary.

Proposal for mandate renewal

14. It is proposed that the revised mandate, as set out in the draft Resolution in the Annex, should remain in force for a period of five years, until 31 December 2019. This Resolution would supersede all previous provisions concerning the mandate of the Committee. The Committee would return to the Council to propose a revision to its mandate should there be any major developments that warrant such a change.

Proposed Action

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

THE COUNCIL

- a) noted document [C\(2014\)126](#);
- b) adopted the draft Resolution of the Council revising the mandate of the Territorial Development Policy Committee and renaming it the Regional Development Policy Committee (RDPC) as set out in the Annex to document [C\(2014\)126](#), which will enter into force on 1 January 2015.

ANNEX

**DRAFT RESOLUTION OF THE COUNCIL REVISING THE MANDATE OF THE
TERRITORIAL DEVELOPMENT POLICY COMMITTEE AND RENAMING IT
THE REGIONAL DEVELOPMENT POLICY COMMITTEE**

THE COUNCIL,

Having regard to 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 on Partnerships in OECD Bodies [[C\(2012\)100/FINAL](#)];

Having regard to the Resolution of the Council concerning the Creation of a Territorial Development Policy Committee [[C\(98\)198/FINAL](#) and [C/M\(99\)1/PROV](#) Item 17] whose mandate was last revised in 2009 [[C\(2009\)126](#) and [C/M\(2009\)21](#), Item 242];

Having regard to the recommendations of the In-depth Evaluation of the Territorial Development Policy Committee [[C\(2012\)84](#) and [C/M\(2012\)5](#), Item 82];

Having regard to the principal conclusions of the meeting of the Territorial Development Policy Committee at Ministerial level in December 2013 [[GOV/TDPC/MIN\(2013\)3](#)];

Recognising that restoring trust in the ability of governments to regulate markets, manage public finances, deliver the services that citizens expect and ensure access to employment and economic opportunities for citizens in all parts of the national territory are key elements of a sustainable growth strategy;

Seizing the considerable opportunity for regional development policy to promote long-term, sustainable and inclusive growth while addressing major national and global policy challenges, such as fostering innovation and entrepreneurship, supporting green growth, the transition to a low carbon economy, investing in skills, 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;

Acknowledging that public investment and many public services are a shared responsibility within and across levels of government;

Recalling that Ministers agreed that mobilising cities, regions, rural areas, private operators and civil society around place-based policies can generate opportunities for skills development, investment and innovation, and directly contribute to a better quality of life;

Acknowledging that the Committee provides a unique forum for Members, non-Members and other relevant stakeholders 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 development;

Having regard to the proposed revision of the mandate of the Territorial Development Policy Committee, including that it be renamed the “Regional Development Policy Committee” [\[C\(2014\)126\]](#);

DECIDES:

The Regional Development Policy Committee (hereafter the “Committee”) has the following mandate:

I. Objectives

Overarching objectives

- i) The Committee should serve as the premier international forum for senior-level policy makers to identify, discuss, develop, and disseminate a vision of regional development policy that is place-based, multi-level, multi-sectoral, evidence-based and innovative.
- ii) The Committee seeks to enhance well-being and living standards in all region types, from cities to rural areas, and improve their contribution to national performance and more inclusive and resilient societies. To this aim, the Committee promotes the design and implementation of policies that are adapted to the relevant territorial scales or geographies, and that focus on the main factors that: sustain competitive advantages; generate stronger, fairer and liveable regional economies; and promote effective and innovative governance at all levels of government.

Mid-level objectives

The mid-level objectives of the Committee are to:

- i) Improve regional development and attractiveness in terms of growth, employment and well-being, by: diagnosing the characteristics, challenges and opportunities of different region types; comparing and analysing trends in regional performance outcomes, in local finance, and in regional development policies; and promoting understanding of the linkages and complementarities among different types of regions.
- ii) Enhance the capacity of regional development polices to address challenges and opportunities such as the enduring consequences of the economic crisis, transition to a low carbon economy and adaptation to climate change, ageing, gender equality and migration. This should also contribute to national agendas in key areas such as innovation, the internationalisation of regional economies, green growth and inclusive growth.
- iii) Address the economic, social and environmental needs and opportunities of metropolitan areas and cities of all sizes through comprehensive national urban policy frameworks.
- iv) Support the development of rural areas through modern rural development policy frameworks with a focus on economic development and competitiveness, fostering rural-urban linkages, improving access to services, land use and sustainable use of natural resources.
- v) Improve governance mechanisms within and across levels of government for more efficient and effective public investment and public service delivery by developing implementation tools and guidelines for policy at the relevant scale. This also applies to different policy sectors such as water as well as safe and efficient transport infrastructure.

- vi) Promote dialogue between the OECD and central governments with sub-national government leaders often responsible for policy action, as well as financial institutions, private operators and social partners, given the importance of such dialogue for achieving better regional development outcomes.

II. Working Methods

To achieve these objectives, the Committee will:

- i) Produce thematic analytic reports and peer reviews in specific countries, regions and metropolitan areas. Develop policy and multi-level governance tools that enable all levels of government to better fit policies to places.
- ii) Create opportunities for exchange of best practices to help Members and non-Members design and implement coherent regional development policies on a national and transnational basis.
- iii) Identify and develop projects on cross-cutting issues, such as green growth, business demography, migration, land use and housing.
- iv) Develop and maintain high-quality and relevant statistical indicators to support evidence-based policy making, in particular by providing data that enables policy action at the relevant scale.
- v) Disseminate the Committee's work via websites and social media as well as through regular events involving actors from national and sub-national governments.

III. Co-ordination arrangements

- i) The Committee's three Working Parties – on urban policy, rural 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.
- ii) Building on its work on multi-level governance between supra-national (when applicable), central, regional and/or local actors, the Committee will draw on the work of, and work in close co-operation with, the Public Governance Committee.
- iii) The Committee and its Working Parties shall co-operate with other OECD committees on matters related to regional development policies, including participation in horizontal projects, particularly with the Local Economic and Employment Development Programme (LEED).
- iv) Recognising the global importance of regional development policy, the Committee will continue to work closely with non-Members to discuss issues of common interest and identify and disseminate best practices.
- v) The Committee will continue and expand its working relationships with the European Union's European Investment Bank (EIB) and other international entities such as the Asian Development Bank (ADB), the Association of Southeast Asian Nations (ASEAN), the Council of Europe (CoE), the European Bank for Reconstruction and Development (EBRD), the Food and Agriculture Organisation of the United Nations (FAO), the Inter-American Development Bank (IADB), the International Labour Organisation (ILO), the United Nations Development Programme (UNDP), the United Nations Economic Commission for Europe (UNECE), the United Nations Human Settlements Programme (UN-HABITAT), the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) and the World

Bank (WB). Such entities will be invited to participate in meetings and events when deemed appropriate.

- vi) To further the Committee's dialogue with sub-national governments, the Committee will also continue and expand its working relationships with relevant stakeholders, in particular: the European Union's Committee of the Regions (COR), the Assembly of European Regions (AER), the Council of European Municipalities and Regions (CEMR), C40 Cities, Eurocities, Regions United FOGAR and United Cities and Local Governments (UCLG). Such entities, along with other organisations representing sub-national governments, will be invited to participate in meetings and events when deemed appropriate.
- vii) The Committee shall also consider the views and input of BIAC, TUAC and other major stakeholders in the field of regional development policy.

IV. Duration

The mandate of the Committee shall remain in force until 31 December 2019.