

COUNCIL**Council****REPORT ON THE IMPLEMENTATION OF THE OECD
RECOMMENDATION ON EFFECTIVE PUBLIC INVESTMENT ACROSS
LEVELS OF GOVERNMENT****(Note by the Secretary-General)**

This revised version of the Report reflects a few minor comments received from two Adherents on the description of their respective domestic situation (Box 3.3, Box 3.4, Box 3.5 and pages 100, 110, 111, 112, 121, 122, 127, 136, 137, 139, 144). The Regional Development Policy Committee was informed on 15 April 2025 [CFE/RDPC(2024)26/FINAL].

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1. This document presents, in its Annex, a Report by the Regional Development Policy Committee (RDPC) on the implementation of the OECD Recommendation on Effective Public Investment Across Levels of Government [[OECD/LEGAL/0402](#)] (hereafter, the “Recommendation”), including on the implementation of its substantive provisions, its dissemination and its continued relevance. The Report also includes conclusions on whether the Recommendation requires revision or whether further actions to support its dissemination and implementation are necessary.
2. The RDPC approved, by written procedure on 28 March 2025, the Report and its transmission to Council to be noted and declassified [[CFE/RDPC\(2024\)26/REV2](#)]. Following approval, minor adjustments were made to the Report, at the request of some Adherents, to the description of their domestic situation. The RDPC was informed of these adjustments [[CFE/RDPC\(2024\)26/FINAL](#)]. Once declassified, the Report will be published on the [online Compendium of OECD legal instruments](#) and be launched at the meeting of the RDPC at Ministerial level in May 2025.

Background

3. The Recommendation was adopted by Council in 2014 on the proposal of the RDPC (the then Territorial Development Policy Committee) [[C\(2014\)32](#) and [C/M\(2014\)3/REV1](#), Item 46]. It was the first OECD legal instrument in the area of regional policy and multi-level governance and has become the main one relating to public investment. The Recommendation aims at helping Adherents¹ at all levels of government to assess the strengths and weaknesses of their public investment capacity, a critical shared responsibility across levels of government, and set priorities for improvement. It emphasises the crucial contributions that all levels of government can make to investments that support national and regional development, long-term growth and well-being.
4. Five years after its adoption, the first report on the implementation, dissemination and continued relevance of the Recommendation [[C\(2019\)14/REV3](#)] found that many Adherents have made progress in implementing the Recommendation. For example, a majority of Adherents have adopted integrated investment strategies and implemented mechanisms to co-ordinate public investment among levels of governments. To support the implementation of the Recommendation, the [Effective Public Investment Toolkit](#) was developed by the RDPC, providing country profiles, a self-assessment toolkit and good practices.
5. Long-term trends show that public investment has declined over time as a proportion of GDP. This trend exists even though there remains a significant, and growing, need for investment in today’s context of rapidly evolving challenges such as climate change, demographic shifts, technological transformation, and geopolitical uncertainties. Ensuring sufficient and effective investment for regional development requires mobilising all levels of government through multi-level governance.
6. Ten years after the adoption of the Recommendation and five years after the first implementation report, this second Report provides a valuable opportunity to further assess progress in implementing the Recommendation, while also identifying areas for further work, including reflections on the potential need to revise the Recommendation. This Report is also timely and relevant in the context of efforts to enhance and better integrate OECD work on infrastructure across OECD policy areas and communities.²

¹ All OECD Members as well as Brazil, Morocco and Ukraine.

² See A High-Level Approach to Enhance and Better Integrate OECD Work on Infrastructure [[C/MIN\(2024\)79](#)].

Methodology

7. To prepare this Report, the Secretariat circulated a questionnaire in December 2023 [[CFE/RDPC\(2023\)27](#)]. By May 2024, the Secretariat had received 22 completed surveys, and prepared a progress report that was discussed at the RDPC meeting on 15 May 2024 [[CFE/RDPC\(2024\)12](#)]. The data collection and validation process was completed in September 2024, by which time the Secretariat had received 32 completed surveys.³ The Report also draws on other RDPC work, as well as work of other OECD policy communities and other international organisations.

Process

8. The **first draft** of the Report was discussed by the RDPC at its 5 December 2024 meeting [[CFE/RDPC\(2024\)26](#)], alongside a proposal to revise the Recommendation as suggested by several RDPC delegates and as a result of the conclusions of this Report⁴. A **second draft** of the Report was prepared on the basis of the comments received.

9. The RDPC approved, by written procedure on 28 March 2025, the Report and its transmission to Council to be noted and declassified [[CFE/RDPC\(2024\)26/REV2](#)]. Once declassified, the Report will be published on the [online Compendium of OECD legal instruments](#) and be launched at the meeting of the RDPC at Ministerial level in May 2025.

Summary

Implementation

10. Since its adoption, Adherents have implemented several policy reforms aligned with the Recommendation. A majority of the reforms identified are linked to the first pillar of the Recommendation on co-ordination across governments and policy areas. The results indicate a diversity of practices, which also vary depending on governance structures (e.g., level of centralisation, federal vs unitary structures). Amongst other areas, these highlight that:

- Adherents are increasingly adopting place-based investment strategies to help meet local investment needs.
- Adherents are increasing co-ordination across sectors at the national level, with several Adherents having implemented relevant mechanisms, such as inter-ministerial committees or councils. These mechanisms are also becoming more permanent.
- Adherents are developing more structured approaches for consultation with subnational governments.
- Adherents have made important efforts to improve subnational data collection to guide investment strategies and support evidence-based decision-making.
- Adherents have increased training courses to reinforce public procurement capacities at the subnational level.

³ Australia, Belgium, Canada, Chile, Colombia, Costa Rica, Czech Republic (Czechia), Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Türkiye, and United States.

⁴ The RDPC also discussed a document presenting the proposed updates to the Recommendation [[CFE/RDPC\(2024\)35/REV2](#)].

11. Still, there remains room for improvement in key areas of public investment. For example, while the majority of Adherents adopted strategies for special areas, only a few Adherents include targeted objectives for specific places and territories in their regional development or investment strategies. Further, while inter-municipal coordination has become more widespread, regional level co-operation mechanisms remain less common. Addressing investment gaps will require greater effort to collect granular data to enable governments to tailor investment strategies to the unique needs of specific territories. It will also require stronger collaboration with the private sector and stakeholders to develop investment projects in line with local needs. In addition, despite the adoption of performance-oriented investment approaches by some Adherents, many still face challenges in their effective implementation. Improving subnational capacities to access finance, particularly green finance, will also be crucial for sustainable and inclusive development.

Dissemination

12. The Recommendation has been actively promoted among and beyond Adherents since its adoption in 2014. In particular, the Recommendation has raised awareness of the multi-level governance dimension of public investment among policymakers beyond the regional development community. The Recommendation has facilitated the dissemination of core messages of the RDPC on the relevance of vertical and horizontal co-ordination and complementarities across sectors to ministries of finance and multilateral organisations such as the International Monetary Fund (IMF), among others. Partnerships with other international organisations such as United Cities and Local Government (UCLG) and the European Committee of the Regions (CoR) have further helped with the dissemination of the Recommendation, especially at the subnational level. The launch of the [OECD/UCLG World Observatory on Subnational Government Finance and Investment](#) in 2017, has also supported the dissemination of the Recommendation.

Continued relevance

13. Most Adherents consider that the Recommendation is still relevant, but there is room for improvement. The assessment of the implementation of the Recommendation shows that the policy principles contained therein are well known, relied on and still relevant. The increasing demand for public investment for sustainable economic growth, alongside the imperative to address emerging global challenges, underscores the enduring importance of these principles. Key trends call for strengthening the multi-level governance of public investment, these include: urbanisation, which necessitates enhanced infrastructure and service delivery; the escalating impacts of climate change, which demand resilient and sustainable investment strategies; and demographic shifts, such as population ageing, which require long-term planning for investments in healthcare and social services. These challenges, coupled with heightened fiscal constraints in many jurisdictions, highlight the Recommendation's continued relevance and the pressing need for its principles to guide public investment strategies in a rapidly evolving global context.

14. Global trends have highlighted the importance of coordinated action across levels of government. To reflect the growing importance of multi-level governance, the RDPC suggests to revise the Recommendation as part of the conclusions of the Report. Revisions could aim to strengthen the multi-level governance dimension of the Recommendation. They could also involve other adjustments, both substantive (e.g. embedding concepts such as resilience and inclusivity) and non-substantive (e.g. linguistic refinements, reformatting, and structural improvements to enhance clarity, readability, and overall coherence).

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\(2025\)76](#), in particular the Report set out in its Annex, and agreed to its declassification;
- b) encouraged Adherents to:
 - (i) continue disseminating and implementing the Recommendation, including by promoting the Effective Public Investment Toolkit and sharing good practices with the Secretariat;
 - (ii) address the challenges identified in the conclusions of the Report;
- c) invited the Regional Development Policy Committee to:
 - (i) continue supporting Adherents in addressing the main challenges set out in the Report, in particular, in the Summary and Conclusions section, including through new country and thematic studies on effective public investment at the national and subnational levels;
 - (ii) develop a proposal for the Council to revise the Recommendation.

Annex A. Report on the implementation of the OECD Recommendation on Effective Public Investment Across Levels of Government ⁵

⁵ The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

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1 Background

Public investment is a driver of economic development in regions

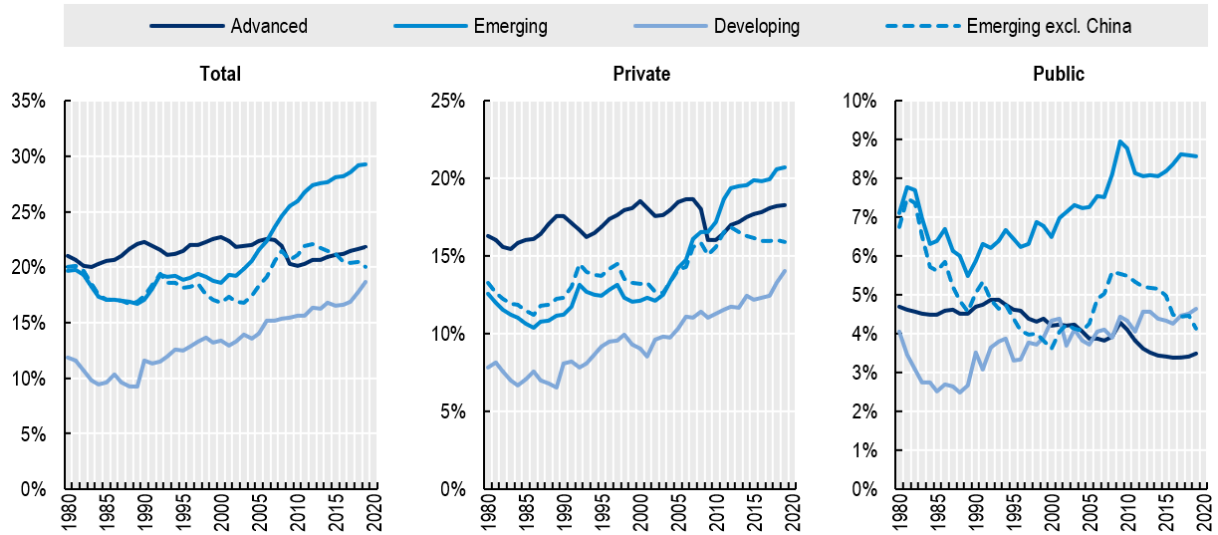
1. **Public investment is essential for development.** Improving the future economic, social and environmental outcomes of people, firms and places requires investing in the drivers of productivity and well-being. Public investment plays a catalysing role in many ways. It can create the public goods upon which private investment depends such as good quality infrastructure –transport networks, utilities and healthcare facilities – that provide the basic conditions for private investment and well-being. It can directly boost private sector activity, including through investment in research and innovation that catalyses knowledge creation, productivity improvements and new firm creation. It can provide a co-ordination and signalling role, especially where private investment is being under-supplied, such as in certain strategic industries and geographies, or during economic downturns. It can also help crowd-in private finance and boost resilience, among many other benefits.

2. **Many Adherent countries have significant investment needs,** which are often at historical highs. In the European Union, for example, meeting future decarbonisation, digitalisation and defence priorities has been estimated to require raising the level of total investment by around 5% of GDP (Draghi, 2024^[1]). In the United States, the American Society of Civil Engineers estimated an infrastructure gap of USD2.6 trillion between 2020 and 2030 (American Society of Civil Engineers, 2021^[2]). In Japan, it is estimated that by 2022, 40% of roads and bridges (length more than 2 meters) will be more than 50 years old, indicating the need for upgrades (Ministry of Finance of Japan, 2015^[3]). Boosting investment will likely be challenging, but not unprecedented – many countries have sustained such increases, including Korea in the 1980s and Australia in the 2000s, to cite two recent examples.

3. **Public investment in many Adherent countries has declined since the 1970s.** Public investment in advanced economies decreased from around 4.5% of GDP in the 1980s to around 3.5 % of GDP in 2019 (Figure 1.1). More recently, public investment peaked during the 2008 financial crisis at just over 4% of GDP in 2009, after which it declined, reaching 3.3% of GDP in OECD Members in 2022. While private investment as a share of GDP has increased in recent years, historical under-investment has created an investment gap.

Figure 1.1. Public investment has declined, while private investment is stable in advanced economies

Trends in total (left), private (middle) and public (right) investment by country group (1980 to 2019), share of GDP



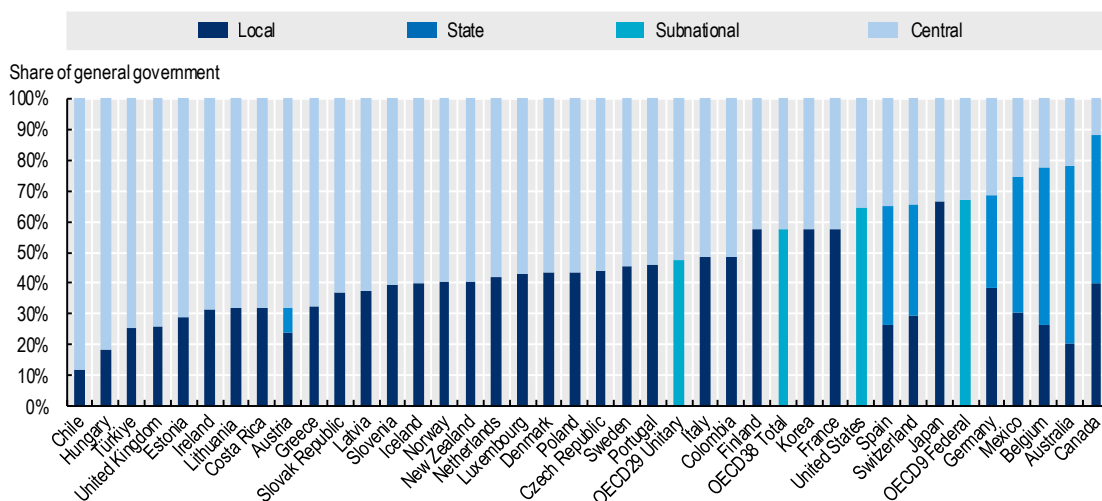
Note: Investment as captured by gross fixed capital formation. Averages weighted by GDP and holding country classification constant (based on April 2023 classification).

Source: OECD calculations using the IMF Investment and Capital Stock Database

4. **Subnational governments have a key role to help increase public investment.** In OECD Member countries, the share of subnational investment in total public investment was around 57% on average in 2022, compared with around 40% at a global level in 2020 (OECD, 2022^[4]). This ratio tends to be higher in federal countries (62% on average for the nine federal OECD Members) than in unitary countries (51% on average for the 29 unitary Members). Subnational investment exceeds 70% of total public investment in Australia, Belgium and Mexico, and is more than 85% in Canada (see Figure 1.2).

Figure 1.2. Subnational governments account for almost 60% of public investment

Public investment by level of government (2022), share of general government



Note: Investment as captured by gross fixed capital formation. All averages are weighted.

Source: OECD National Accounts, Annual Government Non-Financial Accounts and Key Indicators (Expenditure).

5. **Subnational governments have an especially important investment role in areas essential for regional development.** In OECD Member countries, almost 40% of subnational investment focuses on economic affairs (transport, communications, economic development, energy, construction, etc.), relative to around 15% of subnational total expenditure in the same category. Around a fifth of subnational investment was capital expenditure related to education (such as school buildings) (Figure 1.3). In 2021, construction and improvement of public buildings (“general services”) represented over 11% of subnational investment, followed by housing and community amenities (potable water supply, street lighting, etc.) at 9%, then environmental infrastructure (waste, sewerage, air pollution, noise, protection of biodiversity and landscape, parks and green spaces, etc.) at 6%.

Figure 1.3. Economic affairs and education make up half of all subnational government investment

Subnational public investment by function of government in OECD Member countries (2022), share of total

	Australia	Austria	Belgium	Canada	Chile	Colombia	Costa Rica	Czechia	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Iceland	Ireland	Israel	Italy	Japan	Korea
Economic affairs	56	32	34					32	18	39	24	32	26	76	22	45	24	24	31	49	31
Education	9	15	15					21	17	23	26	14	20	0	6	18	0	33	10	10	17
General Services	9	15	29					1	4		14	14	28	2	28	4	4	8	23	6	7
Housing & communities amenities	4	1	4					3		8		14	4	6	7	11	11	12	6	10	20
Environmental protection	3	1	6					14	1	1	0	10	4	8	14	1	2	4	7	16	9
Other	19	37	12					28	60	29	36	16	17	7	22	19	60	19	24	10	17
Economic affairs	35	41	18		27		24	50	35	35	33	35	19	23		34	42		40	37	39
Education	22	16	15		33		23	9	4	15	12	11	20	21		11	30		25	13	20
General Services		1	12		3		3	7	14	7	5	17	16	36		11	7		12	10	11
Housing & communities amenities	17	13	8				14		10	18	13	7	8	3		33	8		7	12	9
Environmental protection	3	1	19		20		9	7	9	6	11	6	5	5		4	0		1	11	6
Other	24	28	28		17		27	27	29	19	27	24	32	12		7	13		15	17	16
	Latvia	Lithuania	Luxembourg	Mexico	Netherlands	New Zealand	Norway	Poland	Portugal	Slovak Republic	Slovenia	Spain	Sweden	Switzerland	Türkiye	United Kingdom	United States		OECD7 Federal	OECD24 Unitary	OECD31 Total

Note: Numbers in heatmap denote the percent of subnational public investment on a certain function within each country. Grey indicates missing data. Investment as captured by direct investment. Other includes defence; public order and safety; health; recreation; culture and religion; social protection. All averages weighted.

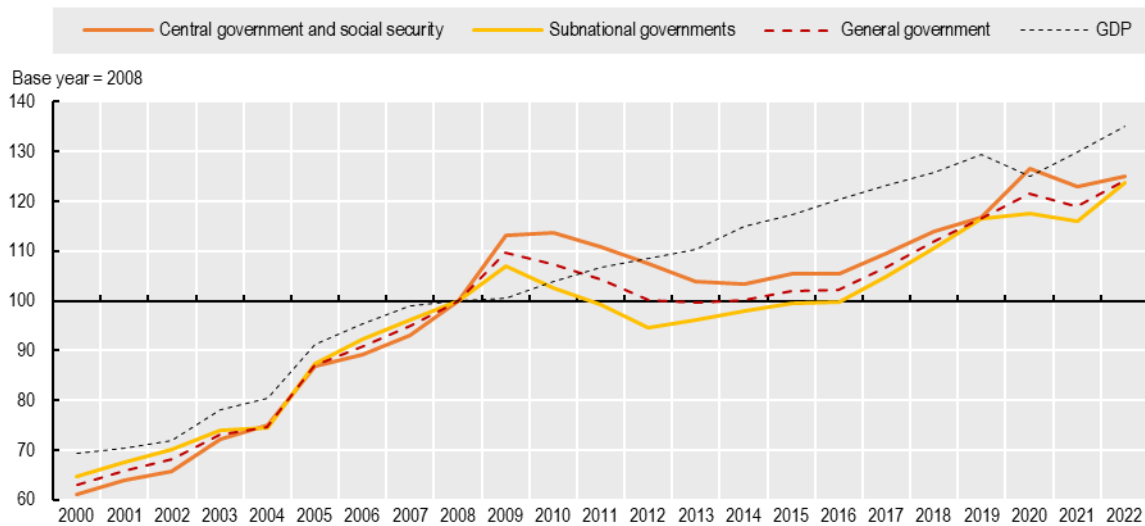
Source: OECD Subnational Government Finance data, Subnational government investment by functional classification

6. **During the COVID-19 crisis, central and subnational public investment trends diverged.** Between 2019 and 2021, central government investment increased while subnational investment declined. Although subnational investment has more recently recovered in real terms (Figure 1.4), as a share of GDP it remains below the levels of a decade ago. Between 2019 and 2022, OECD Members saw subnational public investment increase by an average of 2.05% per year in real terms, with 15 out of 38 OECD Members having seen decreases over the period. This represented an improvement from the 2008 crisis – between 2008 and 2016, OECD Members saw subnational public investment

decrease by an average of 0.61% in real terms, with 21 out of 38 OECD Members having seen decreases over this period, – contributing to an investment gap.

Figure 1.4. Most of the growth in public investment following the 2008 crisis was at the central government level

Change in public investment by level of government (2000 to 2022) from 2008 baseline (=100)



Note: Data unavailable for Chile (2000–2004 and 2022), Colombia (2001–2012 and 2022), Mexico (2001–2002) and Türkiye (2000–2007 and 2022). Investment as captured by gross fixed capital formation.

Source: OECD National Accounts, Annual Government Non-Financial Accounts and Key Indicators (Expenditure); Annual GDP and Components (Expenditure Approach)

Effective public investment can help drive economic development

7. **Well-managed public investment is a driver of regional development.** A growing body of work points to the positive effects of public investment on growth and shows that countries with higher levels of public investment increase their productivity faster than countries with lower levels of public investment (Fournier, 2016_[5]). In the long-run, increasing the share of public investment in primary government spending by one percentage point could increase long-term GDP level by about 5% (Fournier, 2016_[5]; OECD, 2013_[6]). Investment growth is associated with real output growth, trade improvements, greater capital inflows and investment climate reforms (Stamm and Vorisek, 2023_[7]). Public investment can also have an impact on employment. Every one percentage point increase in GDP spent on investment globally could create more than seven million jobs through direct employment alone (Moszoro, 2021_[8]).

8. **But not all public investment is equal—impact depends, to a significant extent, on how governments manage their investment.** Some estimates show that improving the management of public investment, could lead to substantial savings and enhanced productivity (OECD, 2013_[6]; IMF, 2015_[9]; Mckinsey Global Institute, 2016_[10]; Mckinsey Global Institute, 2013_[11]). Evidence suggests that the institutional quality and governance processes affect the expected returns to public investment and also influence the capacity for public investment to leverage private investment, rather than crowd out such investment directly (OECD, 2018_[12]). The International Monetary Fund (IMF), for example, through the Public Investment Index assessment, points out that around 30% of the potential gains from public investment are lost due to inefficiencies in public investment processes (IMF, 2015_[13]). An IMF working paper found that removing all inefficiencies in infrastructure investment could increase the volume of infrastructure built by 55 percent with higher returns in developing and emerging economies (Kapsoli, Mogues and Verdier, 2023_[14]).

9. **Multi-level governance has a direct link to public investment effectiveness.** In the European Union (EU), evidence shows that, the quality of governments is a determinant for both, economic growth and the efficiency of Structural and Cohesion Funds expenditure (Rodríguez-Pose and Garcilazo, 2015_[15]). Estimates show that investments that target regions and quality of government simultaneously make a difference for regional economic growth. It also shows that beyond a certain threshold of investments in cohesion and regional development, the quality of the regional government becomes a vital factor in determining the extent to which a region grows. In this sense, the most efficient way to achieve greater economic and social cohesion is by improving the quality of government; otherwise, improvements in economic growth would require massive amounts of additional investment (Rodríguez-Pose and Garcilazo, 2015_[15]). The fiscal multiplier effect of public investment is the strongest where there is policy co-ordination, especially between fiscal and monetary policy (Vagliasindi and Gorgulu, 2021_[16]).

Development and adoption of the Recommendation

10. **Understanding recurrent public investment challenges and the essential role of multi-level governance, the Regional Development Policy Committee (RDPC) developed the *Recommendation on Effective Public Investment across Levels of Government* [OECD/LEGAL/0402] (hereafter “the Recommendation”), which was adopted by the OECD Council in 2014.** The basis for developing the Recommendation was the 2011 report Making the Most of Public Investment in a Tight Fiscal Environment: Multi-Level Governance Lessons from the Crisis (OECD, 2011_[17]). This report identified ten guidelines for the design and implementation of public investment strategies across levels of government based on countries’ good practices. The drafting of the Recommendation benefited from expert input from a number of other OECD policy communities and other stakeholders.

11. **The development of the Recommendation was supported by Ministers during the meeting of the RDPC at Ministerial level that took place in Marseille, France in December 2013.** Ministers also manifested strong support for the development of tools to support the Recommendation’s implementation, once adopted. On 12 March 2014, the Council adopted the Recommendation, which called on Adherents to adopt adequate and strategic multi-level governance tools to improve the efficiency of public investment in a complex and changing policy environment. To date, all 38 OECD Members have adhered to the Recommendation, as well as three non-Member countries: Brazil, Morocco and Ukraine (together, the “Adherents”).

12. **The RDPC was a pioneer in developing an implementation toolkit in the form of an online platform to support policy makers across all levels of government to implement the Recommendation.** This Effective Public Investment Toolkit⁶ – launched six months after the adoption of the Recommendation – supported the implementation and highlights good practices by Adherents in this domain. With this toolkit, the RDPC was among the first OECD committees to set-up a web platform for implementation that provided country profiles for all Adherents, data, indicators and grids of self-assessment. The toolkit was highlighted as an example of good practice to be followed by other OECD committees for strengthening the implementation of OECD standards in the context of the OECD-wide Standard Setting Review (e.g. [GSG(2017)2]).

13. **The RDPC was instructed by the Council to support the implementation of the Recommendation and to report back to the Council on the implementation, dissemination and continued relevance of the Recommendation regularly.** In 2019, five years after the adoption of the Recommendation, a first Report assessed the implementation of the Recommendation across Adherents and aimed to highlight good practices among Adherents, review dissemination of the Recommendation, and assess the continued relevance of the Recommendation [C(2019)14/REV3] (the “2019 Report”).

14. **The 2019 Report found that, five years after adoption, the practices of many Adherents aligned with the Recommendation.** For example, a majority of Adherents had adopted integrated investment strategies and implemented mechanisms to coordinate public investment across levels of government. Many had also introduced

⁶ See <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html>

policies to promote a result-oriented investment strategy and a more strategic use of public procurement. These developments indicated that Adherents were better prepared to carry out infrastructure investments with both local and global impact. Despite these advances, the 2019 Report identified room for improvement in key areas of public investment. For instance, few Adherents had implemented mechanisms to assess, upfront, the long-term impact of public investment. The 2019 Report emphasised the need for further development in this area to minimise the potential for detrimental social and environmental impacts from infrastructure investment in the future. Additionally, while Adherents had increasingly involved the private sector in defining investment priorities at the national level, subnational governments were found to require further efforts in this respect.

15. **The Recommendation is more important than ever in today’s context of rapidly evolving challenges such as climate change, demographic shifts, technological transformation, and geopolitical uncertainties.** These issues demand effective, sustainable, and inclusive public investment strategies that align with long-term national and global priorities. With constrained public budgets, it is critical to maximise the value of investment. The Recommendation’s emphasis on multi-level governance and co-ordination is especially relevant, as collaboration across levels of government is essential to tackle cross-cutting challenges effectively. Evaluating where Adherents stand in its implementation helps identify progress, highlight gaps, and facilitate the exchange of best practices, ensuring public investments are strategic, resilient, and capable of addressing current and future needs.

16. **Ten years after the adoption of the Recommendation, the RDPC is due to report to Council again on its implementation, dissemination and continued relevance.** To prepare this second Report on implementation, the OECD Secretariat circulated a questionnaire in December 2023 [[CFE/RDPC\(2023\)27](#)] (the 2024 survey)⁷. By May 2024, the Secretariat had received 22 completed surveys, and had prepared a progress report which was discussed at the 50th session of the RDPC [[CFE/RDPC\(2024\)12](#)]. The data collection and validation process was then completed in September 2024, during which the Secretariat received a total of 32 completed surveys.

17. **This Report provides an opportunity to assess progress in implementing the Recommendation, while identifying areas for further development, particularly to further enhance multi-level governance.** To support this objective, the RDPC has the opportunity to build on the multi-level governance indicators outlined in the 2019 Report [[C\(2019\)14/REV3](#)] to develop a new indicator framework that can be used as a baseline for continuity and comparability [[CFE/RDPC\(2024\)33](#)]. The new indicators can extend and enhance earlier measures, incorporating lessons learned and reflecting the evolving complexities of public investment.

18. **This Report concludes that the Recommendation could be revised to help refine the emphasis on the critical role of multi-level governance in effective public investment and to strengthen the text related to funding and financing mechanisms.** Strengthening the text related to funding and financing mechanisms is vital to address emerging fiscal constraints and ensure that investments are both sustainable and aligned with strategic priorities, such as green financing. Additionally, the update allows for the revision of the [Effective Public Investment Toolkit](#) to ensure its relevance in addressing emerging challenges and opportunities.

⁷ Further details about the questionnaire and the information used to develop this Report will be discussed in the methodology section.

2 Methodology

Approach to review the implementation of the Recommendation

19. This section describes the approach used to gather information to inform the OECD Council on the implementation of the Recommendation. Notably it describes the method and sources of information used by the Secretariat to collect information on how Adherents are implementing the provisions of the Recommendation.

Questionnaire

20. **To inform this Report and the update of the online [Effective Public Investment Toolkit](#), the OECD Secretariat prepared a questionnaire [[CFE/RDPC\(2023\)/27](#)].** The questionnaire sought to foster peer learning among Adherents to the Recommendation. The objectives of the questionnaire were twofold: (1) collect proper information to inform Council on the implementation of the Recommendation; and (2) collect information of recent good practices and/or update existing ones (see Annex B). The questionnaire also aimed to inform the implementation of pillar V of the Recommendation on the Governance of Infrastructure [[OECD/LEGAL/0460](#)]. The questions were structured in three parts. The first part included 21 questions on practices related to the implementation of the Recommendation, covering each of the three pillars. The second part included 4 questions on the dissemination and continued relevance of the Recommendation. The third part provided an opportunity to update existing good practices and propose additional good practices to be featured in the updated Effective Public Investment Toolkit.

21. **The questionnaire was shared with Adherents to the Recommendation⁸ in December 2023.** It was sent to RDPC delegates in line ministries or departments, who can represent ministries for housing, urban development, regional development, investment, economic development, infrastructure, interior, finance, and economic affairs, among others. As of September 2024, thirty-two⁹ responses were received. While over three quarters of Adherents responded to the questionnaire, in many cases responses were only partially complete. The limited completeness of the survey results limits the comprehensiveness of some findings.

Other data sources

22. **Alongside the questionnaire, this Report builds upon the long-standing work of the RDPC.** In particular, it draws on the questionnaire for the 2023 Regional Outlook, which included information on the multi-level governance of public investment and regional policy (OECD, 2023_[18]). It also builds on a questionnaire carried out during the 2020 COVID-19 crisis, together with the European Committee of the Regions (COR), which is summarised in a series of reports (OECD, 2020_[19]; OECD, 2021_[20]; OECD, 2020_[21]). This joint OECD-COR questionnaire provided insights on challenges associated with multi-level governance during the COVID-19 crisis by gathering first hand responses from policymakers at the subnational level. The Report also builds on reviews conducted during the last four years on this

⁸ The questionnaire was sent to forty Adherents in December 2023, including 38 OECD Members and two non-Member Adherents (Morocco and Brazil).

⁹ Adherents that have responded include: Australia, Belgium, Canada, Chile, Colombia, Costa Rica, Czech Republic (Czechia), Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Türkiye, and United States.

topic. These publications review various trends and policy developments across levels of government, highlighting innovative practices, lessons learned, and emerging patterns in governance and policy implementation (see Table 2.1).

Table 2.1. OECD Publications mobilising the Recommendation: some examples

Multi-Level Governance Studies	Enabling Inter-Municipal Shared Service Provision in Lithuania (2024) Towards Balanced Regional Development in Croatia (2024) Regional Governance and Public Investment in Wales, United Kingdom (2024) Multi-level Governance and Subnational Finance in Asia and the Pacific (2023) Regional Governance in OECD Countries (2022) Aligning Regional and Local Budgets with Green Objectives (2022) A review of Local Government Finance in Israel (2021) Making Decentralization Work (2019)
Territorial Reviews	Brussels-Capital Region, Belgium (2024) Gotland, Sweden (2024) Regional Policy for Greece Post-2020 (2020) Delineating Functional Areas In All Territories (2020) Hamburg Metropolitan Region, Germany (2019)
Others Reviews	Subnational Governments in OECD countries: key data (2024) OECD Regional Outlook (2023) OECD Regions and Cities at Glance (2022) Subnational Climate Finance Hub (2022)
Other thematic work	G20-OECD report on Financing Cities of Tomorrow (2023) Making the Most of Public Investment to Address Regional Inequalities, Megatrends and Future Shocks (2022) G20-OECD Policy Toolkit to Mobilize Funding and Finance for inclusive and Quality Infrastructure Investment (2022) Unlocking Infrastructure Investment: Innovative funding and financing in regions and cities (2021)

Source: Author's elaboration.

23. **The Report also benefited from information in questionnaires and reports from other OECD committees.** In particular, the Report draws on the OECD Regulatory Policy Outlook (OECD, 2021^[22]), the 2023 survey on Public Policy Evaluation and the 2020 survey on the Governance of Infrastructure.

24. **Alongside information gathered by the OECD, the Report draws on evidence from other international organisations.** In particular, the report leverages the EIB Municipalities Survey 2022-23: The State of Local Infrastructure Investment in Europe, which was carried out among 744 municipalities across the EU between May and August 2022 (EIB, 2023^[23]).

3 Implementation

Introduction

25. This section assesses the implementation of each of the 12 Principles of the Recommendation. It does so by presenting the results of the questionnaire and other data sources mentioned in the methodology chapter of this Report. The analysis follows the structure of the Recommendation and provides a brief explanation of the specific recommendations and main findings.

26. Results should be interpreted with an understanding of the diversity of multi-level governance frameworks and levels of decentralisation across Adherents. Differences in governance structures for example between federal and unitary countries, may influence the comparability and interpretation of some results.

Pillar 1: Co-ordinating public investment across levels of government

Why is this pillar important?

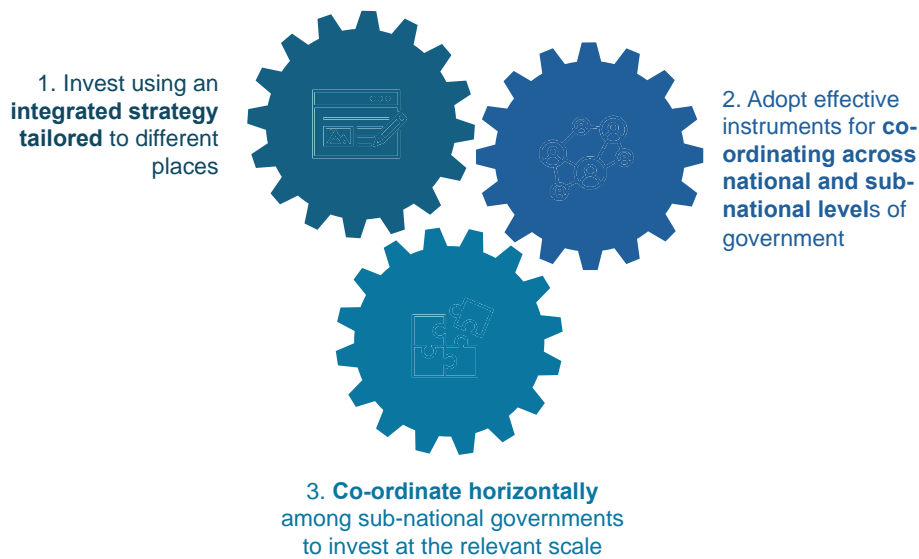
27. Co-ordination is fundamental for effective public investment because national and subnational governments share investment responsibilities. Subnational governments are responsible for around 60% of public investment in OECD Member countries (OECD, 2024_[24]). State, regional, provincial and local governments often have responsibilities for investment in key sectors such as education, transport, housing, and utilities. This means that national and subnational governments cannot operate in isolation and must coordinate to manage their mutual dependence as decisions made by one level of government will directly impact other levels of government.

28. **Co-ordination is also necessary to manage and reduce overlaps or loopholes that can arise from an unclear assignment of responsibilities.** A lack of clarity on the assignment of responsibilities can reduce the efficiency of public investments and impact local political accountability (Allain-Dupré, 2018_[25]). Clarifying responsibilities can help improve co-ordination by defining the space of action for different levels of government and increase accountability.

29. **Managing relationships between and within levels of government is also crucial for building resilience to long-term trends and crises.** Multi-level governance systems are instrumental to shape the response to the many challenges and transitions different regions are facing (OECD, 2023_[26]). For example, the cross-cutting nature of climate change calls for all levels of government to deliver co-ordinated climate-resilient infrastructure (OECD, 2024_[27]). However, co-operation rarely occurs spontaneously so there is a need for governments to adopt the right mechanisms and incentives for co-operation to happen.

30. **Adherents should adopt a set of complementary multi-level governance arrangements that best suit their unique context.** Co-ordination mechanisms can serve multiple and complementary objectives. Determining the best mix strongly depends on the political and cultural context, the objectives pursued, the capacities of national and subnational governments, and the degree of path dependency of existing policies, among other areas. A suitable combination of different mechanisms can help countries improve their institutional environment and public investment effectiveness. The first three principles of the Recommendation (Figure 3.1) provide guidance for countries to implement effective co-ordination mechanisms for public investment.

Figure 3.1. OECD Principles for effective co-ordination across levels of government and policy area



Source: Authors' elaboration

Principle 1: Invest using an integrated strategy tailored to different places

Principle 1: Invest using an integrated strategy tailored to different places

- i. **Design and implement investment strategies tailored to the place the investments aim to serve.** Public investment choices should be linked to a development strategy based on assessment of regional (or local) characteristics, competitive advantages, growth, innovation, and job creation potential, and considerations of equity and environmental sustainability. Investment strategies should be results-oriented (with clearly defined policy goals), realistic and well-informed (based on evidence that points to the region's or locality's ability to make fruitful use of investments), and forward-looking (with investments that can position regions and localities for competitiveness and sustainable development in the context of global trends).
- ii. **Seek complementarities and reduce conflicts among sectoral strategies.** Mutually reinforcing impacts in the form of policy complementarities are often required to make the most of public investment. At higher levels of government, such complementarities can be facilitated by a) using strategic frameworks for public investment to align objectives across ministries and levels of government; and b) minimizing administrative barriers through co-ordination mechanisms such as, but not limited to, inter-ministerial committees and programmes, and harmonization of programme rules. Governments can also establish joint investment funds that pool monies across public agencies/ministries to encourage consideration of a broader set of priorities.
- iii. **Encourage the production of data at the relevant sub-national scale to inform investment strategies and produce evidence for decision-making.** Such data may be collected by statistical agencies but also from administrative records, other data sources, and citizens themselves.

Why is it important?

31. **Investing using an integrated investment strategy that is cross-sectoral and tailored to different places is essential for long-term impact.** By integrating various sectors—such as transportation, healthcare, education, and environmental sustainability—government at all levels can ensure that investments are efficient and coordinated. Cross-sectoral coordination of investment recognises interdependence between sectors. A new road or railway, for example, may facilitate regional connectivity and trade, but without complementary investments in sectors like water or electricity, the full potential may not be achieved.

32. **A place-based investment strategy that is aligned with regional development policy goals better enables governments to tap into diverse opportunities and maximise the impact of public investment.** Different regions have unique prospects based on their specific economic conditions, industry strengths, competitive advantages, and potential for growth, innovation, and job creation (OECD, Forthcoming^[28]). At the same time, each region faces distinct challenges—whether from natural disasters, economic downturns, climate change or demographic shifts—that require tailored approaches. By acknowledging this territorial diversity, place-based investments are more likely to enhance productivity across all regions, harnessing local factors of growth and development while mitigating region-specific risks. Acknowledging this can also support a more efficient and strategic allocation of resources by prioritising investment where they can have the most impact. Place-based investment strategies can also proactively articulate development pathways that enhance regions and cities’ competitiveness and help them specialise smartly, based on local strengths, challenges and aspirations (OECD, Forthcoming^[28])

33. **Moreover, tailoring investments to the unique needs of each locality, while engaging with local communities, ensures that projects are better aligned with community priorities.** This approach fosters cultural sensitivity and social acceptance, leading to improved outcomes and greater community support. When investments reflect the specific aspirations and needs of local populations, they are more likely to generate long-term benefits, promote inclusive growth, and strengthen the social fabric, thereby enhancing both the effectiveness and sustainability of regional development efforts.

34. **In order to achieve meaningful progress in key dimensions of well-being an integrated and holistic approach to investment is necessary.** This includes considering environmental sustainability, resilience to crises, gender equality, social inclusion and the reduction of territorial disparities. Uncoordinated sectoral infrastructure investments risk being insufficient to ensure long-term social benefits and resilience. Roads and railways can boost economic activity, but if they are not coupled with investments in essential services like water, sanitation, hospitals, and schools, their impact on overall living standards and reduce regional inequalities is limited. Cross-sectoral investments that take advantage of policy complementarities also play a critical role in enhancing resilience to crises and natural disasters. Infrastructure projects that are developed with a comprehensive understanding of local risks and vulnerabilities—such as flood risks or public health challenges—can help protect communities during times of crisis and adopt mitigation measures specific to each region’s circumstances.

A large number of Adherents have territory-specific development and place-based investment strategies

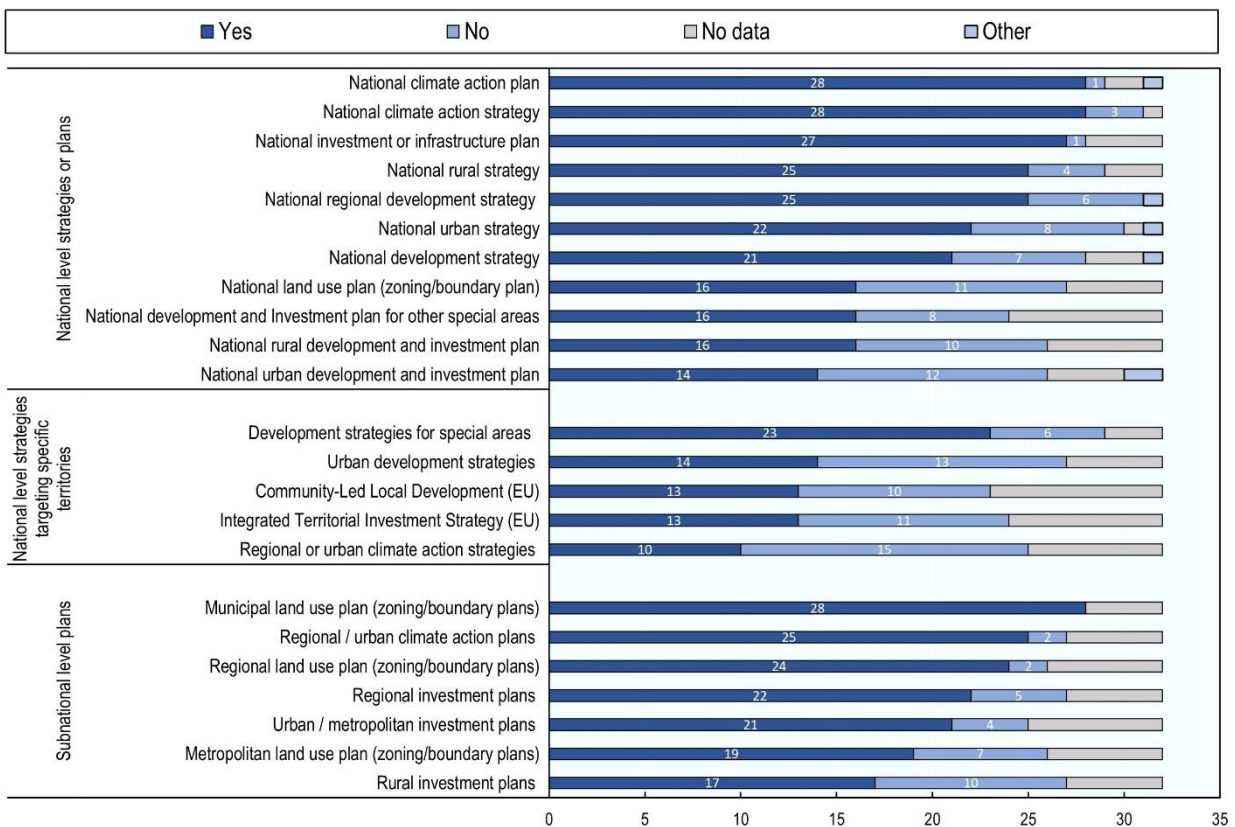
35. **National regional development strategies, national climate action strategies, or national investment plans are increasingly common among Adherents.** The most recent evidence collected by the OECD shows that most Adherents have some form of national strategy or plan for regional development or investment. Out of the 32 Adherent countries that participated in the 2024 survey, 27 outlined that they have a national investment or infrastructure plan, and 25 have developed a regional development strategy at the national level (Figure 3.2). Still, the adoption of regional development strategy is mainly driven by European countries (14 out of the 25 responses). Aware of the need to tailor investment and regional development strategies to the specific needs and opportunities of different places (Box 3.1) A vast majority of Adherents have strategies for special areas – this is the case, for example, of Australia, Colombia, Costa Rica, Finland, Israel, Italy, Japan, Norway, Poland, Slovak Republic, Slovenia, Türkiye,

and United States, to name a few. In general, for a vast majority of responding Adherents, there is no formal or legal requirement specifying that public investments need to be aligned with national or subnational planning documents.

36. **While an increasing number of Adherents have adopted national or subnational strategies for regional development or investment, a large number do not include targeted objectives for different places or territories.** For example, out of the 21 Adherents that have a national development strategy, only half of them declare having differentiated objectives per territory or place. When it comes to climate action strategies, only 9 out of 28 have differentiated objectives, and only 16 out of 25 include targeted objectives in their regional development strategies. This disconnect has also been highlighted by other OECD reports showing that although most central governments have incorporated local perspectives into their climate plans and strategies, only a third of OECD Member countries mention the role of local authorities in measuring and evaluating adaptation progress in their National Adaptation Plans (NAPs) and National Adaptation Strategies (NAS) (OECD, 2023_[20]). Differences in the level of spatial-targeting within national strategic and planning documents may also partly reflect different decentralisation frameworks—in countries where subnational governments have the responsibility for development and investment, national governments tend to define higher-level objectives rather than defining specific objectives for each place (e.g., federal countries).

Figure 3.2. Types of national development strategies or plans

Which of the following development strategies or plans do you have in your country to guide future investments? (Question 1)



Note: Total respondents: 32. Responses marked as 'other' represent countries where these plans are currently under development. Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

Box 3.1. Comprehensive and tailored investment strategies

The Rural Infrastructure Program for Territorial Development (PIRDT) in Chile

The Undersecretary of Regional Development in Chile, through the Rural Infrastructure Program for Territorial Development (PIRDT) developed the methodology "Framework Plan for Territorial Development (PMDT) Formulation and Evaluation". This framework is a tool that allows identifying, planning, and evaluating investment initiatives from a territorial approach. This methodology is designed to strengthen the productive development of the prioritised territory as identified by the respective Regional Government.

This methodology has been published and validated by the Ministry of Social Development for national use, enabling investment in semi-concentrated and dispersed rural areas. Through an integrated project portfolio, it facilitates investment in areas where individual projects would typically receive a "low profitability" rating and would not gain the technical-economic recommendation (RS) needed in the National Investment System (SNI).

The PIRDT can fund the following types of infrastructure projects across regions through regional provisions, covering stages from concept to execution:

- Potable Water and Sanitation
- Roads, Bridges, and Walkways
- Small Port Infrastructure
- Electrification (three-phase and single-phase)
- Telecommunications
- Pre-investment in the category of Productive Development

Source: Regional Development Division (2019), Rural Infrastructure for Territorial Development Program (PIRDT), <https://www.subdere.gov.cl/programas/divisi%C3%B3n-desarrollo-regional/programa-de-infraestructura-rural-para-el-desarrollo-territor>

The Strategic Framework Czech Republic 2030

The Czech Republic (Czechia) has a clear multi-level strategic planning system, with the Strategic Framework Czech Republic 2030 being the "strategy of strategies". Regional and local government strategic planning should take into account three key national documents, as listed below, as well as sectoral strategies. While the first two are non-binding for subnational governments, subnational government zoning and land-use plans must comply with the national spatial development policy. All regions and municipalities have land-use plans (mandatory). All regions are also mandated to have a regional development strategy, but municipalities are not obliged to have a municipal development strategy.

The Strategic Framework Czech Republic 2030, originally co-ordinated by the Office of the Government (Prime Minister's Office) and then by the Ministry of Environment, was approved by a government resolution in 2017. It sets out the vision for the country by 2030 under six areas: 1) people and society; 2) economic model; 3) resilient ecosystems; 4) municipalities and regions; 5) global development; and 6) good governance. While all areas are relevant to subnational strategic planning, the vision for municipalities and regions is the most pertinent to subnational strategic planning.

Source: OECD (2023), OECD Public Governance Reviews: Czech Republic: Towards a More Modern and Effective Public Administration, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/41fd9e5c-en>

National Climate Change Adaptation Plan 2022-2026 (NAP) in Costa Rica

The National Climate Change Adaptation Plan of Costa Rica 2022-2026 (NAP) was developed by the Climate Change Directorate (DCC) of the Ministry of Environment and Energy (MINAE) and serves as the first Action Plan of the National Climate Change Adaptation Policy of Costa Rica 2018 - 2030 (PNACC).

Its objective is to guide the actions of the PNACC, during the period 2022-2026, towards the achievement of a development model that guarantees the climate resilience of Costa Rican society, avoids human losses and moderate material damages generated by the adverse effects of climate change. This aims to contribute to increase the quality of life of the most vulnerable populations, and take advantage of opportunities to innovate and transform productive sectors and ensure the continuity of services. The Plan has 6 main lines of action:

- Knowledge management on climate change impacts, climate services and local and institutional capacity
- Fostering conditions for resilience of human and natural systems through territorial, marine and coastal planning.
- Managing biodiversity, ecosystems, watersheds, marine and coastal spaces for adaptation.
- Adapted public services and resilient infrastructure.
- Adapted and eco-competitive production systems.
- Investment and financial security for climate action.

It is clarified that the goals established within the Plan correspond to commitments negotiated with the responsible institutions, based on the measures prioritised in the different consultation processes. The National Adaptation Plan 2022-2026 (NAP) will be complemented by a Financing Strategy for Adaptation that underpins decisions on financing and the identification of appropriate sources of resources for the implementation of all adaptation measures envisaged in the adaptation plan.

Source: MINAE (2024), Costa Rica's National Climate Change Adaptation Plan 2022-2026, <https://dev.cambioclimatico.go.cr/plan-nacional-de-adaptacion/>

Renewed efforts to boost cross-sectoral public investment strategies

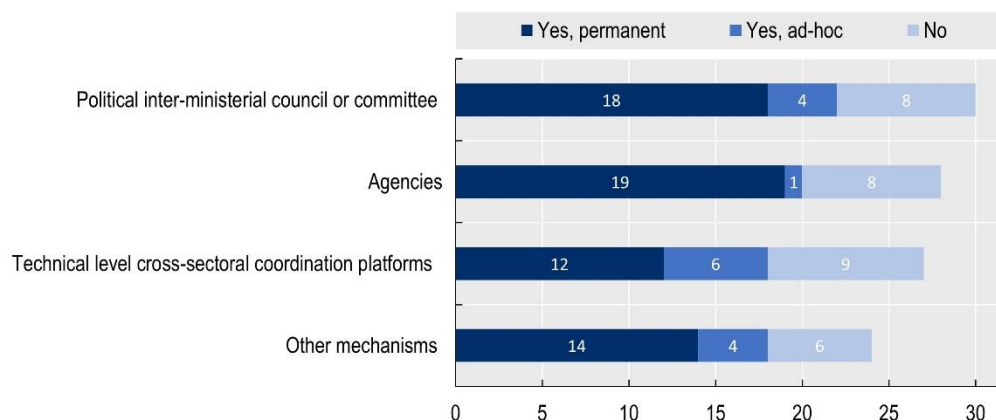
37. **The 2024 survey shows that Adherents are increasingly aware of the need to co-ordinate investment across sectors.** A majority of responding Adherents have mechanisms to co-ordinate across sectors; some of these mechanisms are permanent, others meet on an ad-hoc basis (Figure 3.3). The majority ensure a cross-sectoral perspective through permanent agencies responsible for regional development policy and related investments. This is, for example, the case of Canada through Canada's Regional Development Agencies with seven agencies across the country (Government of Canada, 2024_[29]); France, where the National Agency for Territorial Cohesion (ANCT) was created in 2019 and launched in 2020 (ANCT, 2024_[30]) ; and Portugal, where the Agency for Cohesion and Development (AD&C) was created in 2013 (AD&C, n.d._[31]). In a majority of responding Adherents there are also cross-sectoral co-ordination platforms at the technical level that meet either in a permanent (12) or ad-hoc (6) basis. Australia, Colombia, Costa Rica, France, Hungary, Ireland, Korea, Latvia, Lithuania, Sweden, Switzerland, and United States have permanent cross-sectoral platforms at the technical level and Canada, Denmark, New Zealand, Slovak Republic, Slovenia, and Spain set-up these technical platforms on an ad-hoc basis.

38. **Inter-ministerial committees or councils with a responsibility for coordinating regional development and/or investment that meet on a permanent basis are also common.** In 18 responding Adherents there are permanent inter-ministerial committees – this is the case of the National Council for Territorial Development in Chile or the Council for Territorial Co-ordination (CCT) in Portugal, both recently created in 2023. Nearly half of the respondents utilise alternative mechanisms to support cross-sectoral co-ordination, including Finland's Advisory Committee on Local Government Finances and Administration and Slovenia's cross-sectoral working group, which facilitates the implementation of the specific program 'Development Measures for Deprived Border Areas' (Box 3.2). In the 2019 Report, there was a similar number of Adherents that had permanent committees and ad-hoc committees.

The 2024 survey shows, in contrast, that Adherents are more regularly opting for establishing permanent committees rather than ad-hoc, as the former may have a greater impact.

Figure 3.3. Various mechanisms to coordinate investment across sectors

At the national level, does your country have any of the following mechanisms to co-ordinate investments across sectors? (Question 2)



Note: Total respondents: 30.

Source: 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

Box 3.2. Coordinating regional development and investment policy across sectors: examples of good practices

Canada's Regional Development Agencies

In Canada, the Regional Development Agencies (RDA) are the seven federal government agencies responsible for addressing key economic challenges and furthering economic development, diversification, and job creation specific to their respective regions. RDAs are a key part of the Government of Canada's Innovation and Skills Plan and work closely with business and investors in their regions to fuel economic growth.

RDA programs foster the right environment to enable businesses to grow and entrepreneurs and innovators to start businesses, creating the ideal conditions for the development of strong, dynamic and inclusive regional economies throughout the country. Regional Development Agencies support regional innovation ecosystems and help businesses scale up by:

- delivering nationally coordinated programs tailored to fit regional needs and circumstances
- providing access to financial assistance
- bringing together key players in their respective ecosystems
- supporting community economic development
- ensuring that regional growth strategies eliminate regional gaps and align with federal government objectives

Source: Government of Canada (2024), Canada's Regional Development Agencies, <https://ised-isde.canada.ca/site/ised/en/canadas-regional-development-agencies>

The National Council for Territorial Development in Chile

In 2023, the Government of Chile created the Advisory Council of the President of the Republic called the ‘National Council for Territorial Development’, whose function is to advise the President of the Republic on the implementation of the National Urban Development Policy, the National Rural Development Policy and the National Land Use Planning Policy (Decree 10/2023).

The Council is chaired by a representative of the President of the Republic and integrated by ten Ministers, among other authorities and members of the public and private sector. In order to fulfil its advisory function, the Council is responsible for the following tasks:

- Study sectoral policies in those matters that have an impact on the development of cities, population centres and territory, making the relevant proposals in accordance with the principles of the National Land Use Planning Policy (PNOT), the National Urban Development Policy (PNDU) and the National Rural Development Policy (PNDR).
- Study the national legislation in force applicable to urban, rural and territorial development and propose to the President of the Republic reforms and improvements that are pertinent, both in the institutional and in the legal and functional spheres.
- Propose mechanisms that make it possible to gather and make visible information on the main needs, gaps and challenges of urban and rural territories of the country's regions, ensuring the exchange of information, its consistency and its linkage with objectives of PNOT, PNDU and PNDR.
- Participate as an advisor in bodies related to the implementation, monitoring and updating of PNOT, PNDU and PNDR, ensuring that their design, execution and evaluation consider regional diversities and particularities.

The Council meets in ordinary session at least four times a year to support its proper functioning, upon convocation by its President. It can hold extraordinary meetings by agreement of the Board and upon prior summons by the Executive Secretariat.

Source: Ministry of Housing and Urban Planning (2023), The National Council for Territorial Development, <https://www.bcn.cl/leychile/navegar?i=1195788>

Permanent inter-ministerial committee/ councils with responsibility for coordinating regional development and investment – Council for Territorial Co-ordination (CCT) in Portugal

In 2023, the Government of Portugal created the Council for Territorial Co-ordination (CCT), which is the political body that promotes consultation between the government and the different regional and sub-regional political entities, at regional, sub-regional and local level. The CCT is chaired by the Prime Minister, or a member of the government appointed by him, and meets ordinarily every four months and extraordinarily at the initiative of its chairman.

The CCT is integrated by the Prime Minister, eleven members of the Government responsible for the main areas of government, representatives of the member of the Regional Governments of the Azores and Madeira, the chairman of the boards of directors of the Regional Co-ordination and Development Commissions (CCDRs), two members of the board of directors of the National Association of Portuguese Municipalities (ANMP), two members of the board of directors of the National Association of Parishes, the presidents of the Lisbon and Oporto Metropolitan Areas, and two presidents of inter-municipal communities, appointed by the ANMP advisory board.

The CCT is responsible to:

1. Debate issues with a territorial dimension relevant to the entities represented in it, namely those involving various levels of territorial administration;
2. Analyse matters that require or presuppose co-ordination between different levels of territorial administration or regulate the actions of regional and sub-regional political entities;
3. Monitor political strategies and programmes with an impact on territorial development;

4. Discuss co-operation strategies between the different levels of territorial administration;
5. Promote the functioning of the Financial Policy Monitoring Council, provided for in article 15 of the Autonomous Regions Finance Law, and the Financial Co-ordination Council;
6. Approve programme contracts between the government and the CCDRs.

Source: Presidency of the Council of Ministers (2023), Decree-Law No. 35/2023, <https://files.diariodarepublica.pt/1s/2023/05/10200/0000300005.pdf>

Department of Infrastructure, Transport, Regional Development, Communications and the Arts in Australia (DITRDCA)

The Department of Infrastructure, Transport, Regional Development, Communication and the Arts (DITRDCA) coordinates regional development policy, ensuring alignment with the Regional Investment Framework via the Regional Australia Impact Statements (RAIS).

Where required, a RAIS is designed to help policymakers understand how a New Policy Proposal (NPP) affects regional, remote and rural Australia (including Australian Government administered Territories) differently to metropolitan Australia. In addition, a RAIS can also support consideration for how an NPP or Submission aligns with the Government's Regional Investment Framework (RIF), which sets out the Government's approach to how regional investment is delivered across the Commonwealth in a way that is joined-up, flexible and cohesive.

Source: DITRDCA (2024), Regional Australia Impact Statements, <https://www.infrastructure.gov.au/territories-regions-cities/regional-australia/regional-australia-impact-statements>

Adherents are making efforts to improve subnational data that can guide investment strategies and support evidence-based decision-making

39. **The availability of data at the relevant scale is critical for place-based investment.** Data at the relevant scale provides the basis for evidence-informed investment decisions. National statistical agencies play a key role in gathering data, but subnational governments can also contribute to data collection. Granular data at regional and local scale (or lower scales) allows national and subnational governments to better understand the specific needs, challenges, and opportunities within different regions, enabling more targeted and effective investment. Administrative records on healthcare or education usage, for example, provide real-time data on public service demand at the local level. Other sources such as demographic, environmental risk, existing asset / infrastructure, spatial data and land title record can also offer valuable insight when planning infrastructure investments. Data-driven insights can increase efficiency of investments and strategic planning by enabling real-time simulations through digital twins, improving urban planning and infrastructure maintenance, for instance. They can also support traffic management by analysing mobility patterns to reduce congestion and enhance public transport (PPIAF, 2024^[32]).

40. **By integrating data sources into investment strategies, governments can develop a more accurate, nuanced understanding of local conditions, improving the design and implementation of public investment.** Recent crisis have also shown that timely and granular data is crucial – the COVID crisis and the compilation of accurate and real-time data from various sources played an important role in the exit management of the crisis (Council of Europe, 2023^[33]). This approach not only enhances the effectiveness of investments, but also strengthens accountability and transparency by grounding decisions in reliable, relevant, and up-to-date information. Public availability of data can promote trust in government and facilitate collaboration among stakeholders.

41. **Data collection is one of the greatest strengths of Adherents.** All responding Adherents have a national statistical agency with a defined responsibility for collecting data at the regional and/or local scale, and in most Adherent countries, ministries collect data under their scope at the subnational level. Regions and municipalities are also increasingly collecting their own data; in more than one third of Adherents' regions and/or municipalities have the mandate of collecting some key data - this is the case of Australia, Belgium, Estonia, Germany, Japan, Korea, Lithuania,

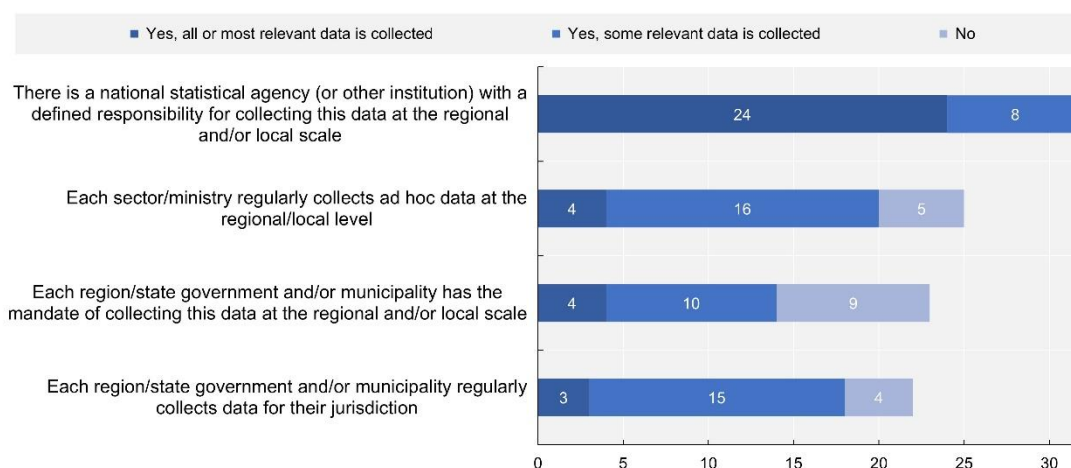
Norway, New Zealand, Poland, Portugal, Slovak Republic, Slovenia, Spain, and Switzerland – and in more than two thirds – regions and municipalities collect data even if it is not mandated (Figure 3.4).

42. **In general, Adherents are also improving the type of data collected and its publicly available, but some effort is still needed when it comes to granularity.** Almost all Adherents collect demographic data at the regional, local and neighbourhood levels, and in most of the cases these data are publicly available (Figure 3.5). In Estonia, for example, the “My Municipality Portal” publishes data on assets and infrastructure at the local level. In line with current challenges, most responding Adherents also collect data on environmental risks (flooding, wildfires, earthquakes, etc.), at least at the regional and local levels, and these data are often also publicly available. However, at the neighbourhood level, risks are less known as only 16 responding Adherents have this type of information and only 12 make this information publicly available. While 26 out of 32 responding Adherents have data on existing infrastructure or assets at the regional scale, the availability of this type of data is less frequent at the local or neighbourhood level and exists only in 21 and 16 Adherents, respectively. Italy has made an important step to improve data availability by developing the Italian National Institute of Statistics data warehouse (IstatData), where data at local level on population, economy, justice and security, among others, is publicly available. Other examples exist in Canada, Portugal, Japan and Spain (Box 3.2).

43. **Increasing efforts on collecting infrastructure data at a more granular level is needed to be able to effectively tailor investment strategies to different territories.** This is particularly true when it comes to climate risk data. The recent G20-OECD report on financing and investing in climate-resilient infrastructure highlights that climate risk data is often not downscaled enough to inform infrastructure risk assessment at the asset level (OECD, 2024^[27]). The OECD’s work on providing subnational climate hazard data makes an important contribution to close this knowledge gap (see the [OECD Laboratory for Geospatial Analysis](#)).

Figure 3.4. National statistical agencies have a key role to collect data to inform investment

How does your country collect data at the regional or local scale to inform investment planning, especially regarding demographic trends (e.g. population by age, migration, etc.), infrastructure assets (e.g. roads, transport, housing, health facilities, education, facilities, digital infrastructure, etc.), land use (e.g. land titles, zoning) and environmental risks (e.g., flooding, wildfires, etc.)? (Question 6)

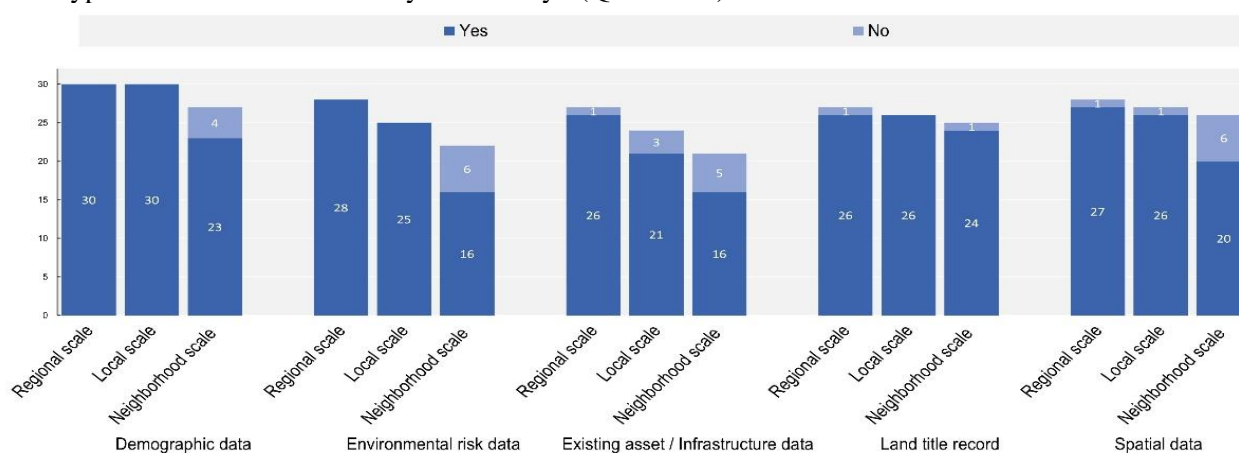


Note: Total respondents 32.

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

Figure 3.5. Data is less frequently available at more granular scales

Regarding the collection of data relevant to investment decisions at the regional / local level, please indicate what types of data are available in your country. (Question 7)



Note: Total respondents: 30.

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

Box 3.3. Data collection and availability: Examples of good practices

Data collection as one of the main pillars of the Capital Facilities and Maintenance Program

The Capital Facilities and Maintenance Programme provides more than CAD 2 billion per year for housing, education, water and wastewater and other infrastructure to support community infrastructure for First Nations people living on reserve in Canada. One funding stream is dedicated to support operations and maintenance of existing infrastructure. The programme has objectives to maximise the lifecycle of physical assets, mitigate health and safety risks, ensure assets meet applicable codes and standards and ensure assets are managed in a cost-effective and efficient manner. Funding is managed through regional 5-year capital plans.

Source: OECD (2021), *Unlocking infrastructure investment: Innovative funding and financing in regions and cities*, OECD Publishing, Paris, <https://doi.org/10.1787/9152902b-en>.

Dissemination Platform of the National Statistics Institute (INE) in Portugal

The National Statistics Institute (INE) has created a Dissemination Platform that allows citizens to visualise and explore the main indicators from the 2021 Census on the themes of Population, Households and Housing, in graphs and maps, by geographical level: regional, local and neighbourhood. The following data are available on this platform at both local and neighbourhood level: population data (age, nationality, marital status), education data (level of education and areas of study), disability (type of disability), labour market (employed population by profession and economic activity, unemployed population by age and sex), migration (migrant population, reason and year of immigration), domestic accommodation (number of persons per accommodation), institutional accommodation, family groups (type of group and number of children), among others.

Source: OECD (2024), *Questionnaire on Recommendation on Effective Public Investment Across Levels of Government*; National Statistics Institute (2024), *CENSOS 2021*, https://censos.ine.pt/xportal/xmain?xpgid=censos21_dados_finais&xpid=CENSOS21&xlang=pt

The Italian National Institute of Statistics data warehouse (IstatData)

IstatData is the new platform to disseminate the Italian National Institute of Statistics' (Istat) aggregate data. All data currently available on I.Stat have been moved to IstatData, which allows to browse the same contents improved with charts, maps and thematic data summaries.

The platform uses the open-source tools "Data Browser" and "Meta & Data Manager" developed by Istat following the international standard SDMX (Statistical Data and Metadata eXchange) for the exchange and sharing of data and statistical metadata. The information is up to date, including some data up to 2024. Information is available in both Italian and English.

On this platform is publicly available data at local level on consumer prices (consumer price index), municipality fragility index (employment rate, population growth rate, index of accessibility to essential services), demographic indicators (marriage rate, total fertility rate, life expectancy), and justice and security (crime rate and capacity of prisons and prisoners per hundred of capacity), among others.

Source: IstatData (2024), The Italian National Institute of Statistics data warehouse, <https://esploradati.istat.it/databrowser/#/>

The PLATEAU Project in Japan

PLATEAU is a 3D city open data platform covering 117 cities across Japan. It is a type of digital twin, or digital representation of physical objects. Led by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), PLATEAU mapped administrative data held by local governments to spatial data. MLIT has collaborated with local governments, industry and academia to explore use cases, including mapping underground infrastructure, modelling climate policies and automating permit processes.

Digital twins like PLATEAU can help make public engagement more inclusive and interactive, leading to greater community buy-in. These tools enable innovative technologies, such as augmented reality, to support public engagement. Users can visit sites virtually, visualise proposed infrastructure and interact with others without having to travel. The use of innovative technologies can also increase participation of young people, who are often under-represented in community engagement.

Local governments across Japan have used PLATEAU to plan urban developments and investments. For example, the local government of Hachioji City in Tokyo ran a gamified workshop to generate and visualise redevelopment ideas for a brownfield site. Users found it convenient to visualise data and found the online environment conducive to productive discussion. The workshop attracted a diverse audience, with over a third of participants under 30 years of age (a demographic not typically engaged with traditional investment planning). Beyond stakeholder engagement, cities are using PLATEAU to support a range of resilience-building actions. For example, Tottori City is using PLATEAU to simulate flooding scenarios and improve evacuation routes. Meanwhile, Nagoya is running thermal environment simulations to assess the impact of climate change on extreme heat and the urban heat island effect.

Source: OECD (2024), *Infrastructure for a Climate-Resilient Future*, OECD Publishing, Paris, <https://doi.org/10.1787/a74a45b0-en>.

The Andalusian SDG Indicator System

The Institute of Statistics and Cartography of Andalusia (*Instituto de Estadística y Cartografía de Andalucía*, IECA) has launched the Andalusian SDG Indicator System, which aims to constitute a framework of statistical indicators, aligned with those established by the United Nations and the Statistical Office of the European Union (Eurostat), which serves to monitor, at different territorial levels, the goals and targets of the 2030 Agenda for Sustainable Development of the United Nations.

In relation to the SDGs, working with geo-referenced information provides a much closer perspective to reality: cross cutting issues such as quality of life require environmental information, accessibility to services or

infrastructures. Information linked to the territory that is captured through georeferencing IECA's hybrid statistical-cartographic identity provides the opportunity to access and process this type of spatial information, including large volumes of structured and unstructured data and images. Since 2011 IECA has leveraged its hybrid skills and capacities developing an intense work on information georeferencing. IECA has also a municipal set of information.

Source: OECD (2024), Questionnaire on Recommendation on Effective Public Investment Across Levels of Government

Principle 2: Adopt effective instruments for coordinating across national and subnational levels of government

Principle 2: Adopt effective instruments for coordinating across national and subnational levels of government

Co-ordinate across levels of government to strengthen the efficiency and effectiveness of public investment.

Co-ordination is necessary to identify investment opportunities and bottlenecks, to manage joint policy competencies, to minimise the potential for investments to work at cross-purposes, to ensure adequate resources and capacity to undertake investment, and to create trust among actors at different levels of government. Several tools can be used when coherence of investment across levels of government is required, such as co-financing arrangements, contracts between levels of government, formal consultation processes, national agencies or representatives working with sub-national areas, or other forms of regular inter-governmental dialogue.

Why is it important?

44. **Vertical co-ordination across levels of government enables investments that benefit and support regional development in all places.** When national, regional, and local governments work together, they can align their priorities and resources to design and implement comprehensive investment strategies that address the unique needs of different places. By coordinating efforts, governments can avoid disjointed or conflicting investments, while working with a common purpose that helps to ensure that all regions have access to the necessary infrastructure and services to support their development. This, in turn, helps foster balanced regional development and reduce disparities between more prosperous areas and those that are less developed. Through joint planning and collaboration, governments can target investments that directly address regional inequalities, leveraging each region's strengths, and ensuring that public investments support sustainable and inclusive growth across the entire country.

45. **Strong co-ordination between national and subnational governments is crucial for the effective design and implementation of place-based investment.** National and local governments share responsibilities for public investment, and coordinating their actions is the only way to manage these joint policy competencies. Without co-ordination, there is a risk that investments may work at cross-purposes, resulting in inefficiencies or missed opportunities for synergy. Through co-ordination, governments can align objectives, identify investment opportunities, and address bottlenecks that could hinder development. Effective co-ordination can help ensure that resources are adequately allocated, that decisions taken by one level consider needs and priorities of other levels, and that all levels of government have the capacity to undertake investments that meet both national priorities and local needs. Tools such as co-financing arrangements, formal consultation processes, or inter-governmental dialogue provide structured ways to align efforts, fostering collaboration and building trust among actors at different levels of government.

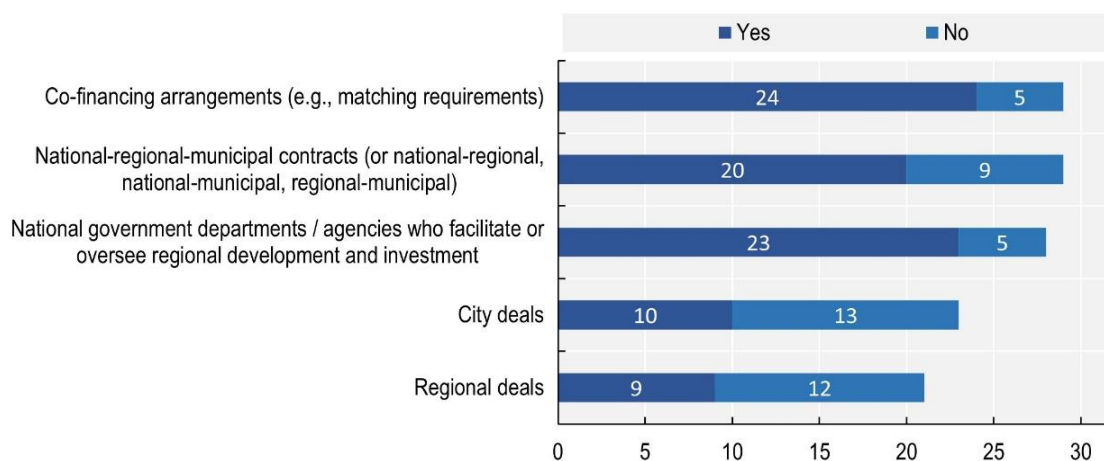
46. **Co-ordinating investment strategies across levels of government can also bring several benefits for regions, enhancing attractiveness and resilience.** Clear, aligned investment priorities can signal stability, predictability, and opportunity, making it more likely that private investment will follow public initiatives enhancing region's attractiveness to private investors. This, in turn, can stimulate regional development and create a virtuous cycle of development. Concretely, coordinated and aligned actions are also key to address the multidimensional challenges of climate change, social cohesion, and inclusive growth. Flexibility and adaptability are key benefits of coordinated approaches; when national or local conditions change—whether due to economic shifts, natural disasters, or new policy challenges—well-coordinated efforts can be adjusted more efficiently to respond to these changes. However, given the complexity of relationships between different levels of government, aligning these efforts can be challenging. National and subnational governments often have different priorities and face varying incentives, so fostering dialogue, ensuring transparency, and sharing credible and simple information are essential to maintaining effective co-ordination.

Sustained efforts to improve co-ordination and collaboration across levels of government

47. **Since the adoption of the Recommendation, Adherents have developed a broad set of mechanisms to help bridge information, capacity, fiscal, administrative or policy gaps across national and subnational governments.** The 2019 Report and 2024 Survey show that co-financing arrangements and platforms for regular inter-governmental dialogue are two of the most popular governance instruments used by Adherents to co-ordinate investments vertically. In 2024, 24 out of 28 Adherents that responded to the survey question declared having some form of co-financing arrangement, followed by national-regional-municipal contracts (20 out of 29) and / or city or regional deals (Figure 3.6).

Figure 3.6. Mechanisms to co-ordinate investments across levels of government

Does your country use any of the following mechanism to co-ordinate investments across levels of government? (Question 8)



Note: Total respondents: 31.

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

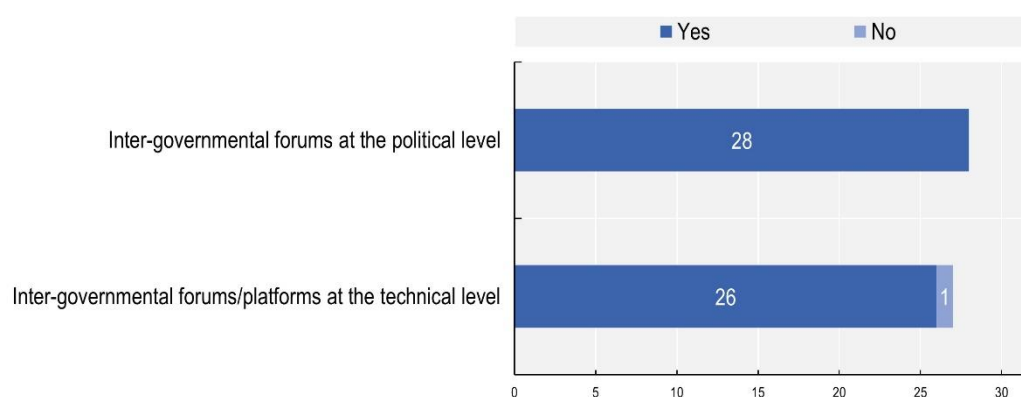
48. **The majority of Adherents have implemented sectorial co-ordination mechanisms, especially for transportation and the environment.** Meanwhile only a few reported that they are applied across all sectors. For instance, in Germany, the Joint Task for Agricultural Structure and Coastal Protection (GAK), is the main national funding instrument for agriculture and forestry, coastal protection and vital rural areas, with financing provided by the by the Federation and the Länder.

49. **Adherents are also increasingly making use of contractual arrangements.** In the European Union (EU), Cohesion Policy is delivered through programmes that are, in fact, several different contractual relationships of different natures. The long-term programmes in EU Cohesion Policy provide stability, which is seen as an advantage. In France, contracts between the French central government and its regions (*contrats de plan état-region*) serve as a key planning, governance and co-ordination instrument in regional development policy. Iceland also makes extensive use of contracts between the national government and its regions to strengthen the capacities of its regional associations and devolve them more and more responsibilities over time (Box 3.4). The model of contracts and formal arrangements between a region and a state are also common in the context of city-regions. This is, for instance, the case of City Deals in Australia, the Netherlands and the United Kingdom (OECD, 2022^[34]).

50. **A majority of responding Adherents, in particular federal countries, have in place inter-governmental forums or platforms.** These seek to better organise relations across levels of government by bringing together members of the executive branch of subnational governments or agencies. Interestingly, in 2024, most Adherents have dialogue fora at the political (28) and technical (26) levels (Figure 3.7). At the political level, 67% of Adherents declare that dialogues take place regularly and 33% on an ad-hoc basis. At the technical level, 63% of the responding Adherents declare meeting regularly and 37% only when it is necessary. Political level examples include the Council of the Federation in Canada and the Forum for Decentralization in Chile. At the technical level, examples include the Supervisory Committee for Municipal Finances in Slovenia, and in Portugal the Intersectoral Forum of the National Spatial Planning Policy Programme (PNPOT). In Sweden, the Forum for Sustainable Regional Development 2021–2030 is a political and technical forum that gathers the national and regional levels and sectors strategically important to regional development. The forum serves as a platform for ongoing political and strategic dialogue among national and regional representatives, for which the national strategy and the Regional Development Strategies are the starting points.

Figure 3.7. Forums for inter-governmental co-ordination

Does your country have inter-governmental platforms to facilitate and encourage dialogue across levels of government? (Question 10)



Note: Total respondents: 30.

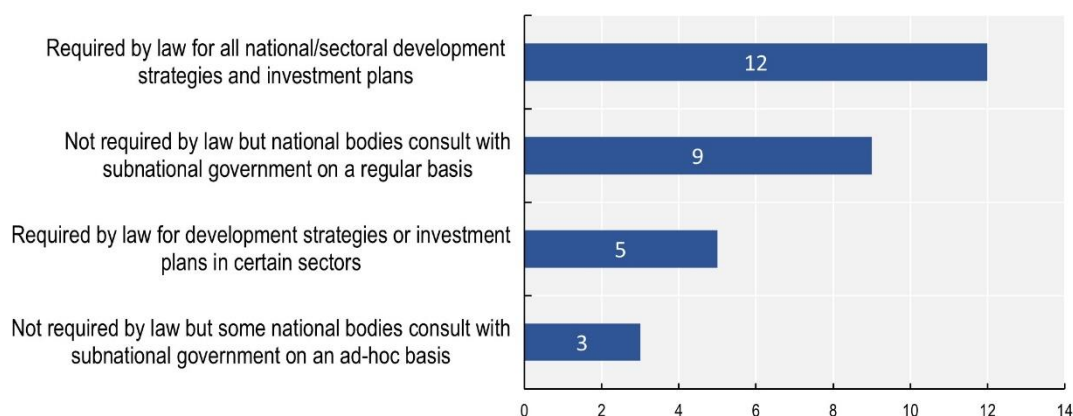
Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

51. **Mechanisms to consult with subnational governments are also increasingly common.** Out of 32 responding Adherents, 29 have some form of consultation mechanism in place. Overall, 17 are required by law to consult subnational governments on investment strategies or plans, among those 12 are required for all types while 5, only in certain sectors (Figure 3.8). Among the Adherents declaring that consultations are mandatory, 63% are European countries. In some countries such as Colombia, Estonia, Finland, Hungary, Korea, Latvia, Poland, and Slovak Republic, among others, the national level is required to consult for all investments. In other cases, such as Japan,

Türkiye, United States, Lithuania or Israel, consultation is only mandatory for certain sectors. In any case, when there is no mandatory requirement, an increasing number of Adherents follow the good practice of consulting with subnational governments (12). Out of these, 9 consult on a regular basis and 3 on an ad-hoc basis. This is the case, for example, of Norway, France, Iceland and Portugal. For instance, in Iceland there is a cooperation committee on state and local government relations, as well as a cooperation committee called ‘Midsummer Committee’ on relations between the state and municipalities, with the aim of understanding governments distinct challenges and needs, cultivating greater trust among them.

Figure 3.8. Consultation with subnational governments

Does your country consult with subnational governments on their development needs and priorities to inform the preparation of national development strategies and investment plans or programmes? (Question 3)



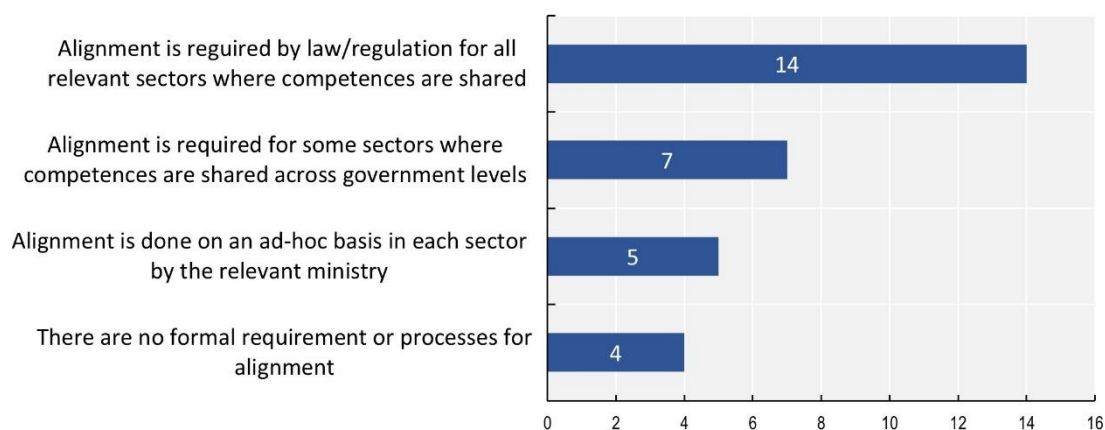
Note: Total respondents: 29.

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

52. **In the same spirit, most Adherents take some actions to align national and subnational investment strategies.** However, this alignment is not necessarily mandatory in all sectors where national and subnational governments share responsibilities. Indeed, only in 14 responding Adherents, formal regulations require the alignment in all sectors. This is the case of Chile, Costa Rica, Ireland and Slovenia, to name a few. While the minority, there are Adherents reporting that they do not have any formal requirement to ensure alignment between national and subnational investment, which may represent a challenge for investment co-ordination (Germany, Israel, Norway, and Sweden) (Figure 3.9).

Figure 3.9. Alignment between national and subnational investment strategies

Does your country have any of the following mechanism(s) to ensure alignment between national and subnational investment strategies/plans/programmes? (Question 4)



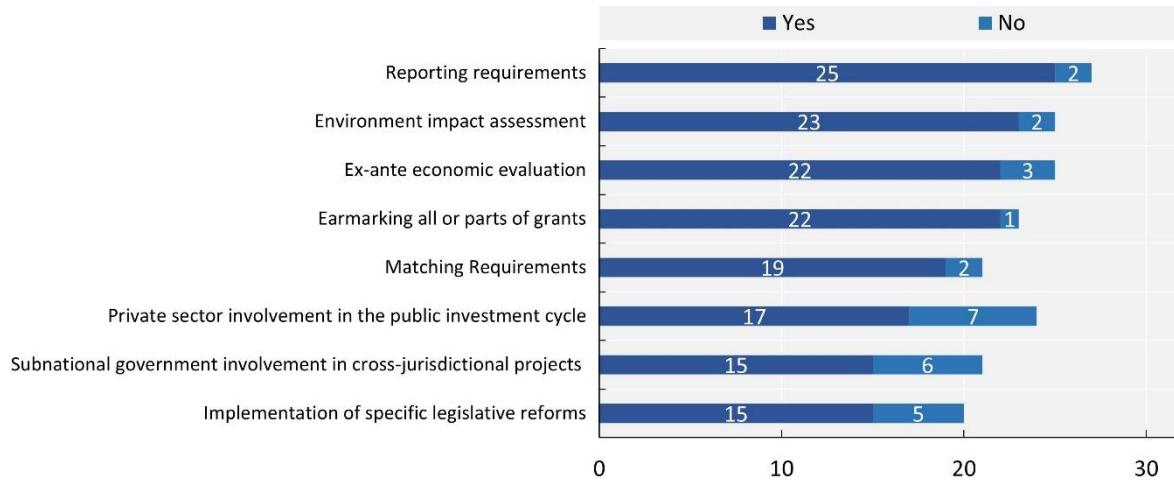
Note: Total respondents: 30.

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

53. **Conditionalities on transfers are also very popular among responding Adherents, with more than two thirds using some type of conditions to transfer resources to subnational governments.** Most of them include reporting requirements or requirements to undertake an environment impact assessment. Interestingly, almost all Adherents for which there is data (23 out of 25) require an environment impact assessment – this is the case of Czechia, Denmark, Latvia and United States, to name a few. Still, there are important opportunities for Adherents to encourage cross-jurisdictional cooperation by using requirements to encourage cooperation of several subnational governments where there are cross-jurisdictional projects – only 15 Adherents use this tool, among them Canada, France, Switzerland, Lithuania and Spain. In 2023, the National Government of Spain called for applications for subsidies for the digital transformation and modernisation of the municipal register management systems of local authorities, within the framework of the Recovery, Transformation and Resilience Municipalities. Places with a population of less than 20,000 inhabitants in their territorial area could apply and needed to undertake to offer the rest of the municipalities in their provincial area that are not included in the call to join the action, with the aim of a more efficient management of services (National Government of Spain, 2023^[35]).

Figure 3.10. National governments use a range of conditionalities on transfers

Does your country use any of the following conditionalities attached to national government transfers to support the co-ordination of investment? (Question 9)



Note: Total respondents: 29.

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

Box 3.4. Mechanisms to coordinate investments across levels of governments: Examples of good practices

Territorial Pacts in Colombia

Territorial Pacts in Colombia, or Pactos Territoriales, are collaborative agreements between the national government, local authorities, and other stakeholders, designed to drive regional development through coordinated investment and strategic projects. These pacts seek to bridge the gap in economic and social opportunities between Colombia's regions by addressing specific local needs and promoting a more balanced, inclusive growth model. By aligning the goals of national policies with the unique characteristics and priorities of each territory, Territorial Pacts help ensure that development efforts are both relevant and sustainable.

Each pact is structured to involve local leaders and communities directly, fostering a participatory approach in the identification of critical needs and project selection. These initiatives often focus on improving infrastructure, such as transport and communication networks, enhancing social services like health and education, and promoting economic opportunities that harness the unique strengths of each region. Implemented as part of Colombia's National Development Plan, Territorial Pacts are particularly valuable for historically marginalised areas, as they represent a strategic framework for investment that is locally responsive while aligning with broader national objectives.

Source: DNP (2024), Territorial Pacts Signed, <https://pactosterritoriales.dnp.gov.co/Pactos-Territoriales-suscritos/Paginas/default.aspx>

The Joint Task for the Improvement of Regional Economic Structure (GRW) in Germany

The Joint Federal/Länder Task for the Improvement of Regional Economic Structures (GRW), established in 1969, serves as the backbone of regional structural policy in Germany and addresses structurally weak regions.

Based on a joint co-ordination framework, the GRW offers a broad range of funding instruments for private and public investment, regional services of general interest and strategies that regions can use to meet their specific needs. It is based on the cooperation between the Federation and the Länder anchored in the German Constitution and is jointly financed by the Federation and the States. Since a major reform in 2022, the GRW pursues three objectives: (1) creating and safeguarding jobs, boosting growth and prosperity; (2) offsetting disadvantages affecting commercial activity; (3) accelerating the transition to a climate-neutral and sustainable economy.

Source: BMWK (n.d.) Boosting the regional economy, <https://www.bmwk.de/Redaktion/EN/Dossier/regional-policy.html>; OECD (2019), Effective Public Investment Toolkit – Country Profiles, <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html>

Iceland: Regional-level plans

Since 2013, Iceland has used successive five-year contracts between its regions and the national government to ensure the financing and implementation of the regional-level plans. For example, the Northwest Region has signed three consecutive contracts with the Ministry of Transport and Local Authorities and the Ministry of Education and Culture to support the implementation of its regional plan, which emphasises regional development and innovation, culture, environmental issues, and education and population. These contracts ensure funding against clear and measurable success indicators established by the region.

The Northwest Region's experience is that this approach has helped increase trust on behalf of the government. Over time, the region has fewer rules to abide by, an increased allowance for administrative costs and no more constraints on the distribution of funding between priority projects and competitive funds. In addition, more autonomy has been granted on who is appointed to competitive fund distribution committees. There is also now the possibility for other ministries to be part of the contract. Trust has also increased on the side of the regions, as has capacity. There has been a visible increase in the degree of decentralisation on the part of the national government. Building on experience from the past, regions are developing increasingly stronger plans. For example, the Northwest Region's 2020-24 contract has received support from expert consultants, the costs of which were paid by the Ministry of Transport and Local Authorities. The plan has a stronger local focus than in the past thanks to the greater degree of autonomy, and measurability is considered to be better.

Source: OECD (2022), Regional Governance in OECD Countries: Trends, Typology and Tools, OECD Multi-level Governance Studies, OECD Publishing, Paris, <https://doi.org/10.1787/4d7c6483-en>.

The Delta Programme in the Netherlands

The Delta Act, adopted in 2012, established the Delta Programme, the Delta Commissioner and the Delta Fund. It advanced an adaptive governance approach to respond to the country's current and future challenges on water safety and freshwater supply. It also aims to improve the system of flood defences with a vast programme of construction and land management – the Delta Works. The 2009 Water Act established four river basins as the basis for integrated water management. The Delta Act on Flood Risk Management and Freshwater Supplies, passed as an amendment to the Water Act, provides the backbone of the Delta Programme.

The Delta Programme is a national planning instrument with three objectives: flood risk management, freshwater availability and spatial adaptation. The Programme is a joint endeavour between the central government, provinces, municipal councils and regional water authorities, in close co-operation with social organisations and businesses. It sits alongside the National Climate Adaptation Strategy as the core component of Dutch climate adaptation policy. The Delta Programme Commissioner oversees the Programme and updates plans every year.

The Delta Programme has an estimated annual budget of EUR 1.5 billion on average between 2023 and 2036. Around half of the budget is targeted at new investment and the other half for overhead, management and maintenance.

Source: OECD (2024), Infrastructure for a Climate-Resilient Future, OECD Publishing, Paris, <https://doi.org/10.1787/a74a45b0-en>.

Urban growth agreements in Norway

The Urban Growth agreements are key tools for the Norwegian government to promote sustainable urban development, to achieve the zero-growth target via targeted cooperation between the state, county councils, municipalities across sectors. These agreements span approximately ten years, integrating transport and land use planning to improve public transport, cycling, and walking to reduce greenhouse gas emissions, noise, and pollution. Urban growth agreement targets are tracked using indicators like traffic counts. Regular meetings establish a four-year action plan, prioritising measures based on impact, funding availability, and socio-economic factors, while cost management is handled through portfolio management. Financing is structured through a combination of contributions from the state, which cover up to 70% of the annual costs for major projects, alongside local authority fundings, and by local authorities, supplemented by toll-financed city packages. As of now, seven Urban Growth agreements have been concluded out of the nine areas covered by the scheme, in the Oslo area, the Bergen area, the Trondheim area, Nord-Jæren, Tromsø, Nedre Glomma and the Kristiansand region.

Source: Ministry of Transport (2024), Urban growth agreements and subsidies for urban areas, <https://www.regjeringen.no/no/tema/transport-og-kommunikasjon/kollektivtransport/byvekstavtalerogtilskudd/id2571977/>

The Joint Commission of the Government and Local Government (CGLG) in Poland

The Joint Commission of the Government and Local Government (CGLG) is a forum designed to establish a unified stance between the central government and local authorities. The commission facilitates co-ordination, consultation, and negotiation on issues pertaining to local government operations, state policies, and matters related to local governance within the frameworks of international organisation such as the EU. Their meetings are scheduled according to necessity, during which, the Commission provides a unified opinion on the issues and documents under consideration, reflecting a consensus between both parties, while allowing for distinct positions on specific matters. In cases where agreement cannot be reached, each party may present its individual stance. The Commission consists of representatives from the central and local government, by the minister responsible for public administration and representatives appointed by the Prime Minister, along with representatives from national organisations of local government units and is supported by experts.

Source: Service of the Republic of Poland (n.d.), Joint Government and Local Government Commission, <https://www.gov.pl/web/kwrist-mswia>

Contracts in the New Regional Policy in Switzerland

The New Regional Policy is largely based on contractual arrangements between the Confederation and cantons (regions). The NPR is implemented via a multi-annual (eight-year) programme developed by the State Secretariat for Economic Affairs (SECO), with the input of cantons. The federal government invites most cantons to submit an implementation programme to the federal government for funding. These must align to the multi-year programme and meet a variety of criteria, including evidence of efforts toward sustainable development. The current programming period of the NPR (2016-2023) aims to enhance regional competitiveness and promote entrepreneurship by supporting initiatives in industrial and tourism development, with a strong emphasis on innovation among SMEs. Since 2020, support under the NPR has increasingly focused on digitalisation.

During the current NPR programming period (2016-2023), more than 2 600 projects have been supported. The Confederation provided over 240 million francs in non-repayable contributions and granted loans amounting to nearly 320 million francs. Between 2016 and 2020, 51% of the projects were related to tourism, 19% to industry, and 13% to regional innovation systems (clusters and coaching). Since 2008, the New Regional Policy (NPR) has supported around 5 000 projects. Since 2020, start-ups and SMEs have benefited from over 10 000 innovation

coaching sessions funded by the NPR. During the 2016–2023 period, with the 540 million francs granted by the Confederation, investments totalling 2.9 billion francs were made.

Source: Regio Suisse (2024) New Regional Policy (NRP), <https://regiosuisse.ch/en/new-regional-policy-nrp> ; OECD (2019), Effective Public Investment Toolkit – Country Profiles, <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html>

Principle 3: Co-ordinate horizontally among subnational government to invest at the relevant scale

Principle 3: Co-ordinate horizontally among subnational government to invest at the relevant scale

Provide incentives and/or seek opportunities for co-ordination among regional and/or local governments to match public investment with the relevant geographical area. Horizontal co-ordination is essential to increase efficiency through economies of scale and to enhance synergies among policies of neighbouring (or otherwise linked) sub-national governments. Modes of co-ordination include contracts, platforms for dialogue and co-operation, specific public investment partnerships, joint authorities, or regional or municipal mergers.

Why is this important?

54. **Horizontal co-ordination is required as public investment needs and impacts do not always conform to administrative boundaries.** Public investment decisions often transcend boundaries, as the opportunities, needs and challenges of local communities are not confined to the arbitrary lines that often separate municipalities, regions or districts. Infrastructure projects, environmental initiatives, healthcare services, and educational opportunities, for instance, frequently have ripple effects that extend beyond the jurisdictions in which they are implemented. A transportation system or a clean water project might benefit people from neighbouring areas, while infrastructure gaps in one region can also impact life quality on others. Therefore, coordinating public investment across administrative boundaries is crucial to ensuring equitable access to resources, maximising efficiency, enhancing synergies among policies of neighbouring (or otherwise linked) subnational governments, and addressing the complex, interconnected challenges faced by local communities and territories.

55. **Co-operation among regions, cities, and local governments is crucial for ensuring that public investments and service delivery occur at the most relevant and efficient scale to have the greatest possible impact.** Horizontal co-ordination facilitates greater investment efficiency by leveraging economies of scale and enhancing synergies between the policies of neighbouring or otherwise connected subnational governments. This is particularly important for physical infrastructure projects, where the most efficient scale often transcends the administrative boundaries of individual regions or municipalities. Transportation networks, water management, and climate-resilient infrastructure frequently cross local borders, necessitating collaboration to maximize their efficiency and effectiveness. To face multi-dimensional challenges, such as climate change—that do not respect administrative limits and pose growing challenges to infrastructure—co-ordinated efforts across subnational governments are essential for developing comprehensive, climate-resilient strategies, mitigate risks and manage spillovers. Joint planning and cross-border collaboration are necessary to ensure infrastructure systems are resilient and prepared for future challenges. Without such co-ordination, investments can become fragmented, less effective, and potentially counterproductive.

56. **Horizontal co-ordination among subnational governments can also help reduce regional disparities and promote more balanced development.** Regions or municipalities with more resources or stronger economic bases may benefit disproportionately from isolated investments, while poorer or more rural areas might be left behind. By working together, subnational governments can ensure that public investment is distributed more equitably, targeting areas that may need additional support. Multiple municipalities might collaborate on a regional infrastructure project that benefits both urban and rural areas, ensuring that all citizens have access to critical services like transportation, healthcare, or education. Reaching an efficient scale may also help attract private finance for investment. Through this, collaboration can help to foster inclusive growth and strengthens the social and economic fabric across regions.

57. **Co-operation between regions—within and across countries—is becoming increasingly relevant to address crisis and multi-dimensional challenges.** The need for interregional co-operation at the national and international level was evident when the COVID-19 pandemic hit. Externalities linked to the coronavirus were so high that no single jurisdiction was able to manage these on its own. Co-ordination across regions appeared essential to avoid disjointed or contradictory responses, and with this, avoid putting the population at collective risk. Indeed, a survey conducted by the OECD and the European Committee of the Regions during the COVID crisis identified that the lack of cross-border co-ordination was the strongest co-ordination issue. Around one-third of respondents reported that cross-border co-operation between subnational governments was broadly ineffective or non-existent, while only 22% found such co-operation effective or very effective (OECD, 2020_[21]).

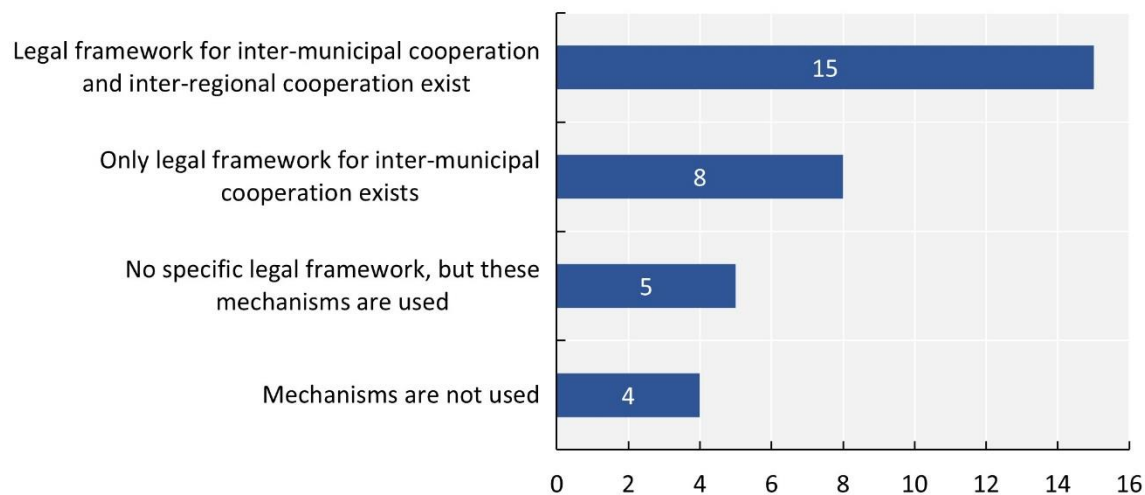
58. **Horizontal co-ordination allows subnational governments to address shared challenges more flexibly and innovatively.** When multiple governments come together, they can experiment with new approaches, exchange best practices, and create joint solutions to complex problems that no single government could tackle alone. Cities within a region might collaborate on climate resilience projects or shared public services, such as waste management or water treatment, that benefit all municipalities involved. This collaborative approach not only improves the effectiveness of public investments but also builds stronger partnerships and trust among subnational governments, creating a foundation for sustained, long-term cooperation.

Inter-municipal cooperation strengthens, while regional collaboration remains underdeveloped

59. **Adherents have made important progress in enacting legal frameworks to facilitate and in some cases promote inter-municipal cooperation.** Inter-municipal cooperation is recurrently identified as one of the major multi-level governance challenges. Indeed, co-ordination across neighbouring local governments implies important administrative, financial and political costs that may discourage such co-ordination to happen. In the 2019 Report, it was evident that co-ordinating infrastructure investment across municipalities was a heavy task for local governments. The information gathered through the 2024 survey shows that some progress may have taken place. Indeed, in 23 out of 32 responding Adherents, there are legal frameworks for municipal cooperation, and in five Adherents where there no legal frameworks, such cooperation does take place (Figure 3.11). While inter-municipal cooperation is common in OECD Member countries, inter-regional cooperation remains less common – only existing in 15 Adherent countries (Denmark, Latvia, Norway, New Zealand, Slovak Republic, Slovenia, France, Sweden, Ireland, Lithuania, Israel, Italy, Korea) have developed a framework to allow for or encourage inter-regional cooperation.

Figure 3.11. Co-ordination across jurisdictions

Horizontally across jurisdictions, has your country implemented any of the following instruments to support joint investment for regional development? (Question 11)



Note: Total respondents: 32.

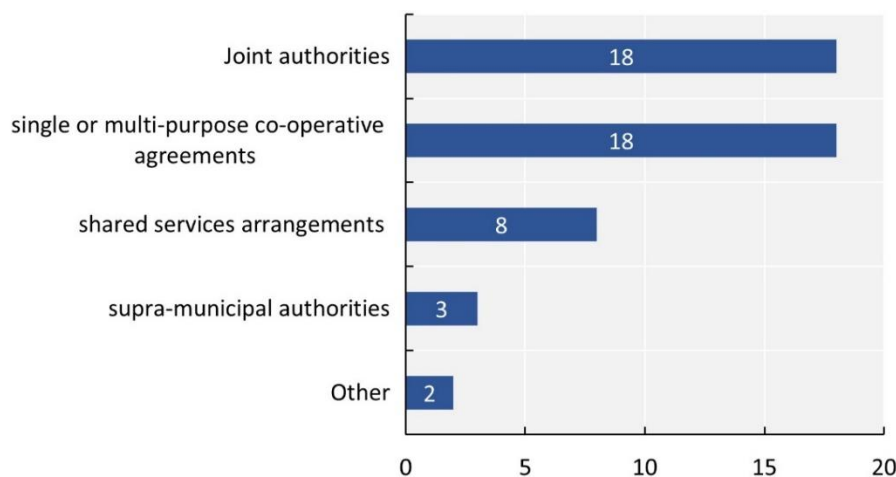
Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

60. **There are diverse forms in which inter-municipal cooperation takes place from “light” single or multi-purpose co-operative agreements to “strong” integrations in the form of supra-municipal authorities with delegated functions and even taxation powers.** In France, for example, public establishments for inter-communal cooperation (*EPCI à fiscalité propre*) have their own sources of tax revenue. Other forms include Joint Municipal Authorities (JMAs), that are the cornerstone of inter-municipal cooperation in Finland, where two or more local authorities can set up this authority to perform specific tasks. JMAs are public law bodies which means that they are independent legal entities with their own capacities and internal governance bodies. While municipalities are multi-purpose democratic institutions, JMAs don’t have similar general competence since their sphere of authority is limited. JMAs may own properties, sign contracts and contract debts without an authorisation from their owners. However, their member municipalities have the final responsibility of the financial and other commitments of their JMAs (OECD, 2024^[36])

61. **Inter-municipal and inter-regional cooperation is not always supported by a legal framework, but this may streamline and support their adoption in some specific contexts.** While the data gathered in the 2024 is rather incomplete, it is possible to see a majority of Adherents have legal frameworks for municipal cooperation that allows for joint authorities (18), single or multi-purpose cooperative arrangements (18) and shared services arrangements (8) (Figure 3.12). A smaller number of Adherents have supra-municipal authorities (7). In line with this, 26 Adherents declared having some form of metropolitan governance body, either for all main metropolitan areas (15) or at least one of the main metropolitan areas (11). This also shows some progress compared to 2019, when only 12 out of 27 responding Adherents declared having developed a specific legal framework to foster co-operation across jurisdictions in metropolitan functional areas.

Figure 3.12. Types of inter-municipal cooperation

Horizontally across jurisdictions, has your country implemented any of the following instruments to support joint investment for regional development? (Question 11)



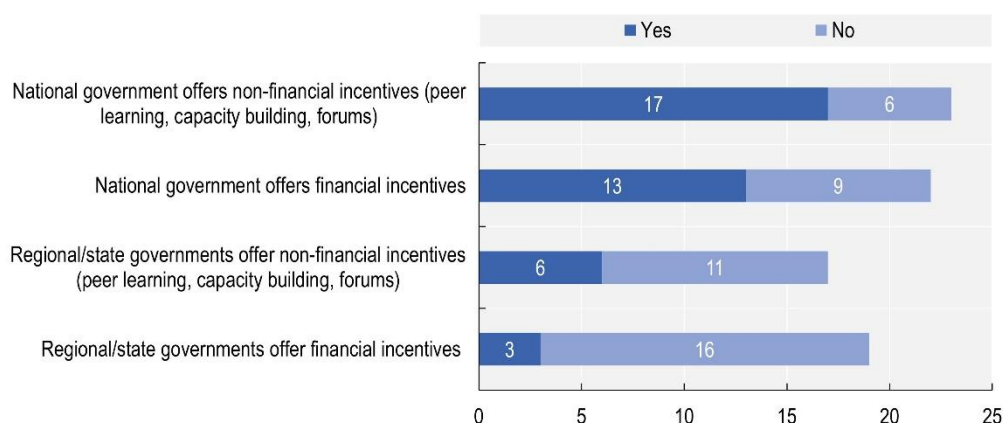
Note: Total respondents: 27.

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

62. **Financial and non-financial incentives to encourage inter-jurisdictional cooperation remain extremely relevant.** In 2019, 60% of responding Adherents had some form of incentives to foster inter-jurisdictional cooperation – this tendency remains the same (Figure 3.13). In 2024, for 13 out of 21 Adherents that answered this question, the national level government offers financial incentives for inter-municipal cooperation – yet only in three regions offer such incentives. This is the case of Estonia and Norway, for example, that offer additional funds for joint public investment proposals at both national and regional levels. The Government of Canada occasionally provides financial commitments to the provinces and territories to further initiatives related to inter-jurisdictional cooperation (e.g., Federal, Provincial, Territorial Ministers of Agriculture Partnership Agreement). It is also the case in Spain that provides bonus grants for municipalities that generate savings through co-operation. In contrast with the 2019 Report, non-financial incentives in the form of peer-learning or capacity building are more becoming more popular, with 17 responding Adherents encouraging municipalities to cooperate by offering these opportunities at the national level. This is the case, for example of Canada, Hungary, or Lithuania, to name a few. For instance, the Community-to-Community Forum Program in Canada helps local government and First Nations to connect and build relationships (Box 3.5).

Figure 3.13. Incentives for inter-jurisdictional co-ordination

Does your country have any of the following incentives to facilitate inter-jurisdictional cooperation?
(Question 12)



Note: Total respondents: 28.

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

Box 3.5. Inter-jurisdictional cooperation: Examples of good practices

Community to Community program for local government and First Nations in British Columbia, Canada

The Community to Community Program is designed to help local governments and First Nations connect and build relationships. The Ministry of Housing and Municipal Affairs supports the Community to Community Program through funds provided to the Union of British Columbia Municipalities (UBCM), which in turn administers the program in partnership with of the First Nations Summit (FNS). The program is also supported by federal funding from Indigenous Services Canada, which typically matches the provincial contribution.

This funding helps neighbouring local governments and First Nations develop relationships by jointly hosting forums to discuss common issues, challenges and mutual opportunities for the benefit of their communities. One of the objectives of the program is to support the development of agreements (such as protocols, MOUs, and service agreements, plans and strategies), and the joint review of bylaws and/or policies.

The UBCM and the FNS have convened province-wide events, open to all local governments and First Nations to discuss shared experiences and best practices. By building relationships, local governments and First Nations can work together on mutual interests, provide or share services, and explore partnering opportunities on economic and community development projects.

Since 1999, nearly 700 events have been held across British Columbia. Many forums have led to memorandums of understanding, protocol agreements and service agreements between local governments and First Nations. As well as improving relationships and helping build stronger understanding between communities, the forums also help support reconciliation.

Generally, the UBCM accepts applications from local governments and First Nations twice a year.

Source: Province of British Columbia (2025), Community to Community Forum Funding, <https://www2.gov.bc.ca/gov/content/employment-business/economic-development/funding-and-grants/community-to-community-forum-funding> ; FNS & UBCM (2019), Guide to Community to Community Forums in British Columbia, https://www.ubcm.ca/sites/default/files/2021-05/C2C-2019_Guide.pdf

Contracts for the Success of the Ecological Transition (CRTEs) in France

In France, the Contracts for the Success of the Ecological Transition (Contrats pour la réussite de la transition écologique – CRTEs) provide a framework for local and municipal bodies to manage the co-ordination challenges around territorial cohesion and the ecological transition. Initiated in 2020 by the government of France, CRTEs aim to promote collaboration between the central government, subnational governments, and local public and private actors. A steering committee of stakeholder representatives develops the contracts, which outline specific projects, objectives, financing plans and monitoring indicators. These priorities are defined locally, but agreed upon with central government. When the contract is in force, inter-municipal co-operation bodies can access project funding from a range of sources, including the Local Investment Support Grant, EU funds, relevant government ministries, the private sector and regional Conference des Parties.

CRTEs are designed to span six years, during which the steering committee monitors the annual progress of projects against pre-set objectives. An online toolbox provides guiding documents and indicative templates for each stage of the contract, enhancing transparency and awareness. CRTEs facilitate alignment of policies across different levels of governments, addressing the requirements of both national and local priorities. They promote not only vertical co-ordination between national and subnational governments but also horizontal co-operation among municipalities. Between 2021 and 2023, 847 inter-municipal or multi inter-municipal contracts were successfully implemented. In addition, CRTEs have led to innovative tools such as an ecological transitions compass (self-assessment tool) and territorial indicators that inform decision making and planning.

Source: OECD (2024), Infrastructure for a Climate-Resilient Future, OECD Publishing, Paris, <https://doi.org/10.1787/a74a45b0-en>.

Joint Municipal Offices in the Slovak Republic

Slovak Republic employs inter-municipal co-operation to increase efficiency of public service provision. “Joint municipal offices” involve the voluntary association of two or more municipalities or the purposes of managing functions delegated from the state. These offices are “headquartered” in a single municipality, but serve multiple participating municipalities. They are frequently (but not always) multi-purpose offices performing functions in a number of different domains. As of May 2021, there were 233 JMOs in Slovak Republic implementing co-ordination arrangements covering 21 different domains, mostly focusing on public service provision. Cross-jurisdiction co-ordination for capital investment may result not only through JMOs, but also through medium-term strategic planning processes for regional Programmes of Social and Economic Development which bring together stakeholders in the region, including local governments.

Source: Congress of Local and Regional Authorities (2023), Monitoring of the application of the European Charter of Local Self-government in the Slovak Republic <https://rm.coe.int/monitoring-of-the-application-of-the-european-charter-of-local-self-go/1680acd751> ; OECD (2019), Effective Public Investment Toolkit – Country Profiles, <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html>

Economic Development Districts (EDDs) in United States

Economic Development Districts (EDDs) are multi-jurisdictional entities, commonly composed of multiple counties and in certain cases even cross-state borders. They help lead the locally-based, regionally driven economic development planning process that leverages the involvement of the public, private and non-profit sectors to establish a strategic blueprint (i.e., an economic development roadmap) for regional collaboration.

The strategic blueprint, known as a Comprehensive Economic Development Strategy (CEDs), is a strategy-driven plan for regional economic development. A CEDs is the result of a “regionally-owned” planning process designed

to guide the economic prosperity and resiliency of an area or region. It provides a coordinating mechanism for individuals, organisations, local governments, and private industry to engage in a meaningful conversation and debate about the economic direction of their region.

Source: EDA (n.d.), Economic Development Districts, <https://www.eda.gov/about/economic-development-glossary/edd>

Interreg collaboration in the European Union

Interreg is one of the key instruments of the European Union (EU) supporting co-operation across borders through project funding. It aims to jointly tackle common challenges and find shared solutions in fields such as health, environment, research, education, transport, sustainable energy and more. Some interesting examples of successful Interreg projects include:

- The STRING Network, set up in 1999, brings together six partners (Region Skåne in Sweden; the Capital Region of Denmark, Region Zealand and the city of Copenhagen in Denmark; the city of Hamburg and the Land of Schleswig-Holstein in Germany). It was initiated as an Interreg A project with a focus on establishing a new fixed link between Denmark and Germany. This aim materialised in 2008 with the signature of a treaty between Denmark and Germany concerning the construction of the Fehmarn Belt link. A permanent STRING Secretariat was established in 2011 and promotes collaboration in the field of infrastructure, tourism and culture, science and development, green growth, and addressing cross-border barriers more generally. The STRING network is currently gaining further momentum and discussions are underway concerning its enlargement.
- The primary Interreg programme that promotes cross-border collaboration in Western Scandinavia is the Öresund-Kattegat-Skagerrak programme (ÖKS), which includes Western Scandinavia as well as Buskerud, Vestfold, Telemark, Aust-Agder and Vest-Agder in Norway, and the regions of Hovedstaden, Sjælland, Midtjylland and Nordjylland in Denmark. The programme has existed since Interreg IV (2007-13). In the period 2007-13, the ÖKS programme supported about 125 cross-border projects, which brought together around 400 partners from Denmark, Norway and Sweden (mainly universities, regions and large municipalities). The projects were supported with a total budget of EUR 120 million and focused on: increased sustainable economic growth; physical planning and organisational interlinked regions; and increased daily integration. The ÖKS programme was renewed for the period 2014-20. As of June 2017, more than 250 participants had taken part in one of the 31 projects related with green economy, innovation, employment and transport.

Source: OECD (2022), *Regional Governance in OECD Countries: Trends, Typology and Tools*, OECD Multi-level Governance Studies, OECD Publishing, Paris, <https://doi.org/10.1787/4d7c6483-en>.

Pillar 2: Strengthen capacities and promote policy learning across levels of government

Why is this Pillar important?

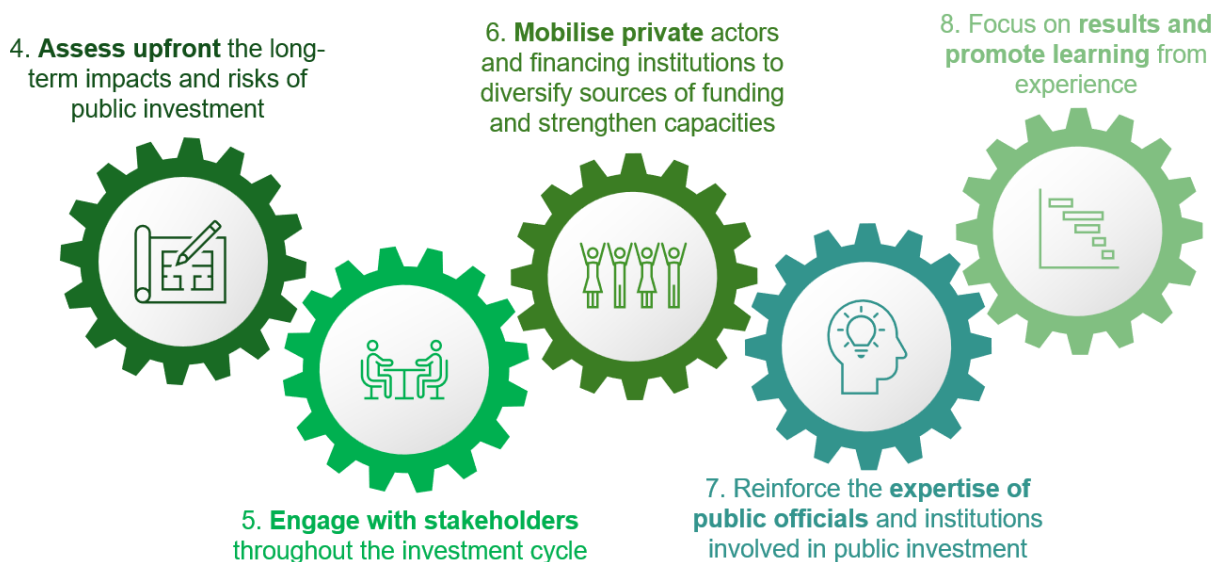
63. **Designing, prioritising, implementing, operating, monitoring and evaluating public investment, particularly for large and complex investment projects, demands a diverse and highly specialised set of capacities.** Large investment projects span multiple phases, each requiring distinct skills and expertise. In the design phase, for example, technical knowledge is crucial for creating plans that are feasible, sustainable, and aligned with regional development long-term goals. Prioritisation requires the ability to assess competing needs and conduct cost-benefit analysis, while promoting sustainability and regional development. Implementation demands project management skills, procurement processes, and financial oversight to ensure that the project progresses on time, to the desired quality level and within budget. The operation of infrastructure projects, particularly in sectors like transportation or energy, requires not only technical know-how but also administrative and managerial capabilities to ensure efficient functioning and service delivery. Monitoring and evaluation, crucial for accountability and learning,

involves tracking performance, measuring impacts, and identifying areas for improvement. Strengthening capacities across these various domains enables governments at all levels to make informed decisions, reduce risks of delays or cost overruns, and ensures that public investments deliver maximum societal benefits.

64. **Capacity building for subnational public investment goes beyond a narrow approach restricted to human resources management or workforce improvement activities.** Capacities refer to the institutional arrangements, technical capabilities, economic resources and policy practices that affect public investment (Figure 3.14). They should be an enabler to achieve important goals at different stages of the investment cycle. Capacity building is also a “learning-by-doing” process in which national and subnational governments can acquire the needed capacities through practice (OECD, 2019^[37]). Strong capacities in all these dimensions are necessary to ensure that governments at all levels can think long-term, make strategic investments, and adapt policies over time.

65. **Building capacities is also necessary to ensure optimal and efficient resource allocation, and at the same time, ensure accountability.** Public investments often require pooling funds from local, regional, and national governments, meaning that all levels need the appropriate capacities to effectively allocate and coordinate resources where they are needed most, avoiding duplication or inefficient spending. Capacity building in areas like financial planning, co-ordination, and resource prioritisation helps national and subnational governments make informed decisions, directing investments to the areas of greatest need and impact. Moreover, when governments at all levels can effectively track spending in real time, measure performance against expected outcomes, and conduct thorough evaluations of project impacts, they can more easily identify and address inefficiencies or misallocations. This not only reduces the risks of corruption, mismanagement, or misuse of funds but also fosters a culture of transparency that strengthens public trust. Governments that demonstrate a strong track record of effective investment management are more likely to attract future funding, whether from national budgets, external partners, or private investors. In this way, building capacities at all levels of government not only ensures that public funds are used efficiently but also lays the foundation for sustainable public investment.

Figure 3.14. Strengthen capacities and promote policy learning across levels of government



Source: Author’s elaboration

*Principle 4: Assess upfront the long-term impacts and risk of public investment***Principle 4: Assess upfront the long-term impacts and risk of public investment**

- i. **Use comprehensive, long-term assessments for investment selection. Ex ante assessments should be used to both clarify goals and reveal information.** Appraisals should be technically sound, help to identify social, environmental and economic impacts, and investigate which investment method is likely to yield the best value for money. Policy makers should also consider policy and project complementarities, as well as alternatives to investment and efficient use of existing capital stocks to reach particular goals. Long-term operational and maintenance costs should be clearly assessed from the early stages of the investment decision.
- ii. **Assess different types of risks and uncertainty associated with public investment, including longer-term impacts, at an early stage of the investment cycle as part of an appraisal.** This includes fiscal risks, such as contingent liabilities, as well as political, social, and environmental risks. Such risks and adapted mitigation strategies should be re-evaluated as new information becomes available.

Why is it important?

66. **In times of uncertainty and climate crisis—with consequences that may or may not be predictable—it is even more crucial to make the best efforts to understand the long-term economic, social and environmental impacts of public investments.** This is especially important for large investments projects that impact citizens and businesses daily lives. Large investments often involve substantial fiscal envelopes and long implementation periods, exposing projects to a wide range of fiscal, political, social, and environmental risks. Given the complexity and time required to complete them policymakers need to understand from the early stages the potential spillovers and maximise value-for-money while managing uncertainties. In particular, ESG (Environmental, Social, and Governance) considerations are increasingly important due to the growing significance of climate change and its impacts on communities, making responsible and sustainable investment strategies essential.

67. **Climate-resilient infrastructure is more needed than ever.** Over recent years, extreme climate events have shown to what degree infrastructure can be damaged by the climate and the need for well-designed infrastructure to reduce countries vulnerability. There is some evidence showing that climate-resilient infrastructure is cost effective. In the US, for example, it has been shown that adaptation could reduce annual losses to infrastructure by a factor of ten. Climate resilient infrastructure—where climate risks are understood and integrated into decision-making at all government levels—is thus critical and needs to be supported and encouraged (OECD, 2024_[38]).

68. **By identifying potential risks early on, and implementing measures to mitigate them, governments can also enhance transparency, accountability, and ultimately, the effectiveness of public investment in delivering long-term value.** Robust ex-ante impact assessment and risk management can help avoid misallocating resources and reduce opportunities for corruption, which often leads to inefficient projects or "white elephants"—projects that are expensive but fail to deliver value. It allows not only reducing financial waste, but also improving the overall credibility of public institutions while ensuring that public investment addresses critical needs in a sustainable and inclusive manner. This, in turn, helps foster a culture of transparency and accountability, increasing public trust.

69. **Using sound and comprehensive ex-ante assessments to select and prioritise investments is particularly challenging for subnational governments that face capacity constraints.** Understanding fiscal political, social, and environmental risks is a task that requires strong capacities and technical knowledge that is sometimes lacking at the subnational level.

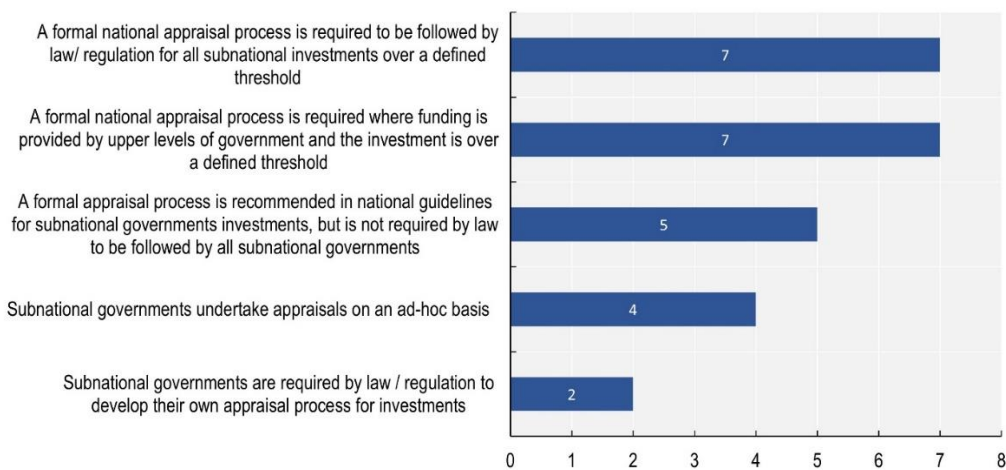
Growing focus on public investment prioritisation, but further attention to risk assessments is required

70. **While challenging, an important number of Adherents require ex-ante evaluations for large public investment.** The 2024 survey shows that in 14 out of the 25 Adherent countries that provided a response to this question, large subnational public investments need to go through a formal ex-ante assessment process either because it is required by law, or because it is a conditionality to get national funding. This is the case of Chile, Colombia, France, Korea, Poland, Slovenia, and Türkiye, which require a formal national appraisal process to be followed by law for all subnational investments over a defined threshold, and the case of Australia, Czechia, Italy, Lithuania, Slovak Republic, Spain, and Sweden, where a formal national appraisal process is required where funding is provided by upper levels of government and the investment is over a defined threshold. Still, this dimension has not progressed much when compared to 2019. In any case, in 25 out of 32 responding Adherents, large subnational public investments go through some form of ex-ante assessment – this reflects that in general, Adherents have deployed important efforts to advance on this matter (Box 3.6). Indeed, in 2019, even if the numbers are not directly comparable, only 12 out of 27 Adherents used ex-ante economic evaluation tools (cost-benefit, cost effectiveness, or multi-criteria analyses) that considered the territorial impact of public investment. Here it is important to note that the quality or adequacy of methods used is not captured by the survey and cannot be described.

71. **There is an important room for improvement when it comes to ex-ante assessment processes at the subnational level.** Only in Denmark and Norway, subnational governments are required by law/regulation to develop their own appraisal process for investments and only in five Adherent countries a formal appraisal process is recommended in national guidelines for subnational governments investments. Important efforts are also needed when it comes to risk assessment. In line with the OECD Infrastructure Governance Indicators, this 2024 survey shows that only in 7 out of 18 responding Adherents¹⁰ is there a form of regulation requiring a risk assessment during the project appraisal or planning phase of large subnational investments.

Figure 3.15. Investment appraisal processes

Has your country implemented a national legal framework/ regulation that requires a formal investment appraisal process to be followed for investments by subnational governments over a defined threshold? (Question 14)



Note: Total respondents: 25.

¹⁰ This question was answered only by 18 out of the 32 Adherents that sent responses. 14 responses were blank.

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

Box 3.6. Assess upfront the long-term impacts and risk: Examples of good practices

Ex-ante appraisals in Australia

In Victoria, Australia, strong ex-ante monitoring mechanisms are in place, especially through an innovative High Value/High Risk (HVHR) process used for certain investments. Under the HVHR framework introduced 2010, investment projects with a value above a defined threshold or which are deemed to be high risk undergo rigorous scrutiny and approval processes, with increased oversight over various stages of investment development, procurement and delivery. The focus of this process is to enhance ex ante control, improving the business case for major investments. The business case process also includes the development of performance indicators, creating the basis for monitoring infrastructure performance after implementation. While ex-ante evaluation is commonplace, ex-post evaluation has not been extensively used, in particular to evaluate the overall performance of PPPs.

Source: Department of Treasury and Finance Victoria State Government (n.d.), High Value High Risk framework <https://www.dtf.vic.gov.au/high-value-high-risk-framework> ; OECD (2019), Effective Public Investment Toolkit – Country Profiles, <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html>

The procedure for evaluating public investments in France

In France, since 2013, with the Decree N° 2013-1211 all investment projects must undertake an ex-ante evaluation. The Decree specifies that all investment projects are subject to a prior socio-economic assessment, to determine the expected costs and benefits of the planned investment project. There are also additional requirements for investment projects of more than 20,000,000 euros. For these projects, “a detailed presentation of the investment project, variants and alternatives to the investment project; the main data on its size and provisional timetable; relevant socio-economic indicators; public policy performance indicators; a comparative analysis of financing methods; opinions required by law and regulations; risk mapping” are required.

Source: Légifrance (2024) Decree No. 2013-1211, <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000028379985/2025-02-24/> ; OECD (2019), Effective Public Investment Toolkit – Country Profiles, <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html> ,

The National Investment System in Chile

The Chilean National Investment System (SNI) brings together the methodologies, standards, and procedures that guide the formulation, execution, and evaluation of Investment Initiatives (IDI) that apply for public funds. The SNI is composed of four subsystems, jointly managed by the Ministry of Finance and the Ministry of Social Development and Family:

- **Ex Ante Evaluation Subsystem:** Set of norms, instructions, and procedures that allow public institutions to have a portfolio of socially profitable investment initiatives that can be executed (with a result of the technical-economic analysis with a Satisfactory Recommendation (RS) granted by the Ministry of Social Development and Family). The Social Investment Evaluation Division (DESI), lead this process at the national level and the Regional Ministerial Secretariats of Social Development and Family, of the Ministry of Social Development and Family (SEREMI - MDSF) at the regional level.
- **Ex Post Evaluation Subsystem:** Analysis of the results achieved once the project is completed or begins operation, to measure the degree of compliance with the effectiveness and efficiency in the use of public investment resources. Processes associated with this subsystem are coordinated by the Social Investment

Evaluation Division, with the support of regional investment teams in the SEREMI of Social Development and Family, MDSF.

- **Budget Formulation Subsystem:** Allocation of financial resources to sectoral, regional, and State Enterprises' projects. Its function is to standardise, regulate, and coordinate information related to the fund allocation processes. Budget Formulation is the responsibility of the Ministry of Finance.
- **Budget Execution Subsystem:** Regulation and supervision of public expenditure execution and its respective financing. It is carried out through the Public Sector Budget Law and the complementary instructions from the Budget Office of the Ministry of Finance (DIPRES), which is the technical body responsible for allocating State financial resources. Furthermore, it regulates and oversees the execution of public spending, notwithstanding the responsibilities of the General Comptroller of the Republic (CGR) in this area.

Source: Ministry of Social Development and Family (2024), National Investment System, <https://sni.gob.cl/sistema-nacional-de-inversiones>

Principle 5: Engage with stakeholders throughout the investment cycle

Principle 5: Engage with stakeholders throughout the investment cycle

- Engage with public, private sector and civil society stakeholders in the design and implementation of public investment strategies to enhance social and economic value, and to ensure accountability.** All levels of government should involve stakeholders in needs assessment and the design of an investment strategy at an early stage of the investment cycle, and, at later stages, in feedback and evaluation. Information on public investment plans, expenditures, and results should be exposed to some level of public scrutiny to promote transparency and accountability.
- Seek a balance when incorporating stakeholders' views, taking steps to prevent disproportionate influence by special interest groups.** Consultation processes at all levels of government should be inclusive, open and transparent, as well as promote transparency and integrity in lobbying.

Why is it important?

72. **Engaging with stakeholders throughout the public investment cycle is critical to ensuring transparency, accountability, and inclusion.** Stakeholders, including citizens, private sector entities, civil society, and local communities, provide valuable insights that help identify priorities, risks, and opportunities to allocate resources more efficiently. Integrating diverse perspectives into public investment decisions can help designing and implementing public investments that more accurately reflect social, economic, and environmental needs, enhancing their relevance and long-term sustainability. Early and continuous engagement also fosters a sense of ownership and trust among stakeholders, reducing opposition and ensuring smoother project execution.

73. **Stakeholder engagement helps to improve the efficiency and effectiveness of public investments by enhancing the quality of project design, monitoring, and evaluation.** Regular top-down and bottom-up dialogue enables governments to identify and address potential challenges early in the project cycle, thus minimising delays and cost overruns. It also promotes greater accountability as stakeholders can actively participate in the oversight of investment projects, ensuring that public funds are used in a manner that delivers measurable results. Involving

stakeholders throughout the cycle supports better governance and aligns investment decisions with broader public policy objectives, ultimately driving more inclusive and equitable development outcomes.

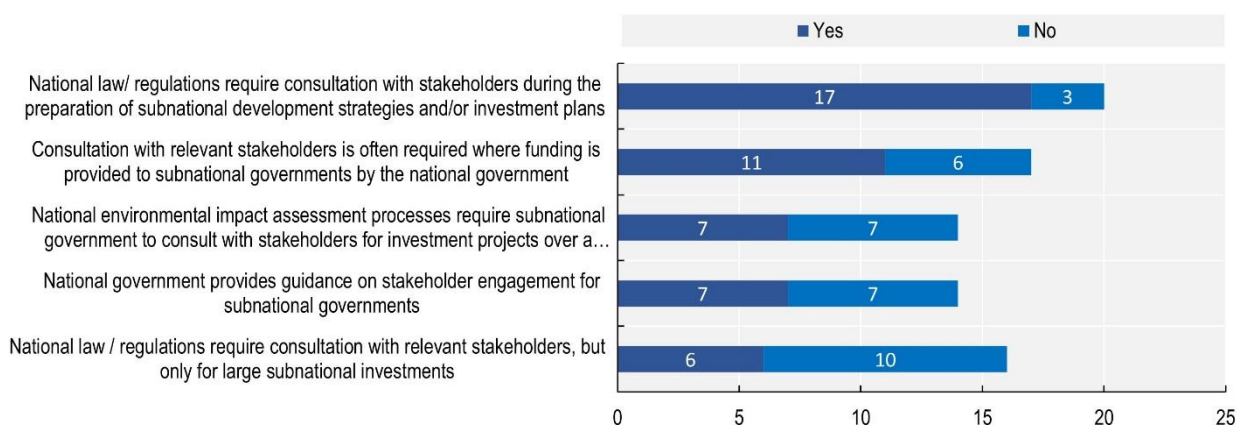
74. **Combining a diverse set of tools and mechanisms to effectively engage with stakeholders is essential for enhancing both the relevance and the impact of any engagement process.** Each stakeholder group has unique perspectives, needs, and expectations, which means a one-size-fits-all approach to engagement may not be effective. By using tailored communication strategies, interactive platforms, and participatory techniques, governments can foster more meaningful dialogues, ensuring that all voices are heard and considered. The methods chosen to involve stakeholders will directly influence the quality and usefulness of the outcomes. When stakeholders feel genuinely involved in the process, the resulting decisions are more likely to be accepted, supported, and successfully implemented. It is especially crucial to ensure that participation efforts are targeted toward vulnerable or marginalised groups in local communities, whose voices are often overlooked. Women, for example, must be actively included in these processes, as they experience different investment needs and frequently face systemic barriers that limit their representation and influence.

While some progress has been made, stakeholder engagement remains a challenge

75. **Some Adherents have formal requirements to involve stakeholders when preparing investments plans or strategies.** While this analysis must be taken with caution as only 26 out of the 32 respondent Adherents completed the questions related to stakeholder engagement, the 2024 survey provides some insights on how Adherents have progressed in this dimension. For 17 Adherents there appears to be a national law or regulation that require consultation with stakeholders (civil society, private sector, etc.) during the preparation of subnational development strategies and/or investment plans (Figure 3.16). Latin American Adherents, as well as European ones, are included in this group. This represents an important step forward for several Adherents, as in 2019 Report, only 7 out of 27 responding Adherents declared having specific requirements to involve the private sector in the design or/and financing of public investment. In addition, several responding Adherents report that as of today, consultation with relevant stakeholders is often required where funding is provided to subnational governments by the national government (e.g., conditionalities in grant documentation). In some cases, consultation is required for certain sectors, such as in Estonia where local authorities are required to involve relevant stakeholders in the creation of spatial plans. These results are coherent with other OECD research that shows 82% of OECD Member countries have a national guidance on stakeholder participation and that in 88% of cases, there are formal requirements to consider and respond to the inputs from stakeholder consultations (Ruiz Rivadeneira, Dekyi and Cruz, 2023^[39]). Examples of stakeholder engagement are highlighted from Colombia, France, Denmark and Norway (Box 3.7).

Figure 3.16. Stakeholder engagement at the subnational level

Has your country implemented a national law or regulation to promote stakeholder engagement on investment projects undertaken by subnational governments? (Question 15)



Total respondents: 26.

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

Box 3.7. Engage with stakeholders: Examples of good practices

Territorial Planning Councils in Colombia

The Territorial Planning Councils (CTPs) are territorial planning bodies established by constitutional mandate to ensure citizen and civil society participation in the creation and monitoring of public policies at the territorial level, in line with the principle of participatory planning. The Political Constitution of Colombia states that territorial entities shall have Planning Councils, which, together with the National Council, make up the National Planning System. Regulation specifies that the processes of drafting, executing, monitoring, and evaluating development plans, both at the national level and within territorial entities, should be participatory whenever possible. This is in recognition that one of the essential purposes of the State is "to facilitate the participation of all in decisions that affect them and in the Nation's economic, political, and administrative life." It is also specified that the consultative role of the Planning Councils does not end with the discussion phase of the Plan but extends to subsequent phases related to its modification.

For the efficient functioning of CTPs, the Colombian Government has developed a guide that provides the regulatory framework, methodological elements, and guidelines necessary for mayors, governors, and communities to value the importance of CTPs and commit to their formation and operation.

Source: DNP (n.d.), Guide for Territorial Authorities and Citizens, <https://colaboracion.dnp.gov.co/CDT/Consejo%20Nacional%20de%20Planeacin/Guia%20Consejos%20Territoriales%20web.pdf>

Stakeholder Engagement on Coastal Climate Resilience in Denmark

In response to climate risks related to sea level rise and intensified storm surges, Denmark undertook the "BaltCICA" (2009-2012) and "Cities and the Rising Sea Level – Dialogue on Climate Adaptation" (2018-2022) initiatives to encourage the resilience of its coastal cities. Both projects placed significant emphasis on citizen participation to shape climate adaptation strategies. BaltCICA, focused on issues of coastal retreat and threats to groundwater quality, facilitated citizen involvement through a scenario workshop during which stakeholders engaged in discussions about future scenarios and adaptation options. This workshop culminated in a citizen summit, where participant deliberation on adaptation options influenced the adaptation strategy for the local municipality, which was subsequently shared across Baltic countries.

The "Cities and the Rising Sea Level" project took a comprehensive approach to citizen participation with the aim of improving the knowledge base for climate resilience in Denmark more broadly. Workshops, consultations, and online climate citizens' meetings brought together stakeholders, experts, and citizens to discuss themes such as nature, transportation, housing and business, and newsletters and articles encouraged continuous engagement among citizens.

Source: Tekno, (n.d.), Cities and rising sea levels – Securing coastal cities against future sea level rise? <https://tekno.dk/project/hvordanskal-vi-sikre-kystbyer-mod-fremtidens-havstigninger/>

The Regional Environmental, Social and Economic Council (CESER) in France

The Regional Economic, Social and Environmental Council (CESER) is a consultative body reporting to the Regional Council and its President. CESER members are drawn from the region's economic, social, environmental, educational and voluntary sectors.

CESER issues opinions on structuring orientations for the region. Before being examined by the Regional Council, it is required to give its opinion on:

- State-Region plan contracts (CPER)
- regional planning documents and master plans
- the region's various budget documents
- general guidelines in areas on which the Regional Council is called upon to deliberate
- environmental guidelines.

The President of the Regional Council may request opinions or studies on any economic, social, cultural or environmental project concerning the region. The CESER may also, on its own initiative (self-referral), issue opinions on any issue falling within the region's remit.

Source: OECD (2019), Effective Public Investment Toolkit – Country Profiles, <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html>, CESER (2024), CESER de France, <http://www.ceserdefrance.fr/dyn/portal/index.seam?aloId=6901&page=alo>

Engagement of indigenous communities in Norway's Arctic Area

The right of Indigenous Peoples to participate in Norway's decision-making processes was formalised in 2005. The obligation to consult the Sami Parliament is applicable to traditional Sami areas. This is especially the case for matters concerning the resource base of the Sami culture, including land rights, land administration and competing land use. The Nature Diversity Act requires Sami knowledge to be considered in public decisions that are relevant for the conservation and sustainable use of biological, geological and landscape diversity; Norway's Planning and Building Act clarifies the tools and instruments to be used by local and regional authorities in planning processes for reindeer herding areas.

The relationship between the government and the Sami community and other indigenous groups has been evolving. Evidence from recent surveys (SDWG, 2019) suggests the government of Norway has improved overall communication with the Sami community. Beyond mandatory consultations, the government also consults with other Sami interest groups, particularly in matters that directly affect Sami land use, enabling adaptation actions for local livelihoods. This has also contributed over time to enhancing awareness and knowledge of Sami issues in ministries and agencies.

Source : OECD (2022), Promoting Effective and Meaningful engagement of Indigenous Communities in Norway's Arctic Areas https://www.oecd.org/en/publications/ipac-policies-in-practice_22632907-en/promoting-effective-and-meaningful-engagement-of-indigenous-communities-in-norway-s-arctic-areas_8c2786f3-en.html

Principle 6: Mobilise private actors and financing institutions to diversify sources of funding and strengthen capacities

Principle 6: Mobilise private actors and financing institutions to diversify sources of funding and strengthen capacities

- Match private financing arrangements to investment needs and government capacity**, particularly at the sub-national level, through careful analysis of the pros and cons of different private participation arrangements and what they entail in terms of risk and government financial and administrative capacity. Decisions regarding Public Private Partnerships (PPPs) should be co-ordinated with the budget process and their potential value-for-money should be compared to that of traditional procurement.

- ii. **Involve private actors and financing institutions in public investment to offer more than just financing.** Involving private actors and financing institutions in the investment should be a way to strengthen the capacity of government at different levels and bring expertise to projects through better ex-ante assessment, improved analysis of the market and credit risks, and achieving economies of scale and cost-effectiveness. Governments should mobilise innovative financing instruments or mechanisms, but do so with a clear understanding of the capacities such approaches require.

Why is it important?

76. **Public capacity alone is often insufficient to address the increasing demands for public investment.** This is especially relevant at the subnational level, where financial and administrative capacities are frequently constrained. Mobilising private actors and financing institutions can help bridge the financing and administrative capacity gap, diversifying funding sources, tapping into innovative financing and sharing risks. Private sector involvement can be important to support infrastructure investment due to the scale of funding required. Institutional investors manage assets worth an estimated USD 53 trillion in 2022, some of which could potentially be mobilised to support public investment as these investors are seeking long-term infrastructure assets that match their long-term liabilities (OECD, 2024^[27]).

77. **Many financial actors—from traditional financial institutions to impact investors—are looking to invest in projects with significant social and environmental benefits.** This can present an opportunity for governments to attract private finance through innovative mechanisms, such as blended finance, which combine public and private resources to drive more impactful and sustainable development outcomes. There are important areas to innovate to support more sustainable subnational finance. These include, for example, exploring new forms of loans and financial leases (e.g. green loans), enhancing the use of bonds (e.g. green, climate or social bonds), exploring impact investing, and developing pooled finance mechanisms (OECD, 2021^[40]). While strengthening innovative sources of financing may help meet investment needs, it is crucial that national governments have in place relevant borrowing controls in the form of administrative or regulatory rules to preserve fiscal discipline and ensure effective use of financial instruments.

78. **Involving private actors can help strengthen capacities at the national and subnational levels by leveraging expertise, innovation and efficiency.** Private companies and financial institutions often bring advanced technologies, management practices, and specialised knowledge that can enhance project planning, implementation, and monitoring. This can lead to improved project delivery timelines, cost management, and overall impact. Through public-private partnerships (PPPs), governments can capitalise on this expertise to ensure more sustainable and effective public infrastructure and services.

79. **It is crucial, however, to align private financing arrangements with both the investment needs and the capacities of the government, specially at the subnational level.** This requires a thorough analysis of the pros and cons of various private participation models—such as Public-Private Partnerships (PPPs)—and an understanding of the risks and demands they place on financial and administrative capacity. Decisions regarding PPPs should be coordinated with the budget process, ensuring that their potential value-for-money is rigorously compared to traditional procurement methods, and fits within budget limits over the long-term. By doing so, governments can improve infrastructure outcomes while maintaining fiscal responsibility and mitigating risks.

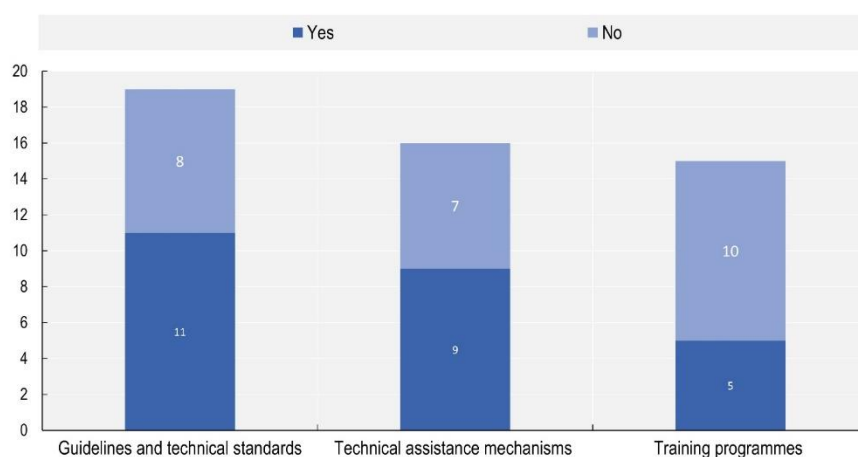
80. **Governments need to ensure they have ongoing revenue sources and good financial management practices to support borrowing.** Subnational governments need to have sufficient funding available for the entire lifecycle of infrastructure, including for construction, operations, maintenance and the repayment of finance. Identifying whole-of-life funding sources when making an investment can help infrastructure has sufficient resources to be operated and maintained, and, critically, it can improve access to finance (OECD, 2021^[40]). At the same time, certain resilient investments can be particularly challenging to fund. Much infrastructure is a “local public good”, so local tax revenue from nearby beneficiaries can have a key role to fund infrastructure – as can targeted capital grants from upper levels of government, especially for the communities most in need (OECD, 2024^[38]).

Opportunities to support subnational governments to responsibly access finance

81. **National governments have room to improve the support that they provide to subnational governments on accessing finance.** The 2024 survey reveals that only 11 Adherents report providing guidelines and technical standards for subnational governments on approaches to borrow for investment, 9 provide technical assistance on this matter and only 5 have special training programmes (Figure 3.17). One example where relevant training programmes exist is the Japan Finance Organisation for Municipalities (JFM), which organises seminars, trainings and on-site lectures and e-learning programmes on funding and investment for local authorities. Some Adherents, such as Colombia, Estonia, France, and Türkiye, have in place all three mechanisms mentioned above for borrowing capacity building.

Figure 3.17. Mechanisms to support subnational capacity on borrowing

Has your country implemented any of the mechanisms listed below to reinforce and support subnational governments capacity to borrow for investment purposes? (Question 16)



Note: 19 responded to at least part of this question

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

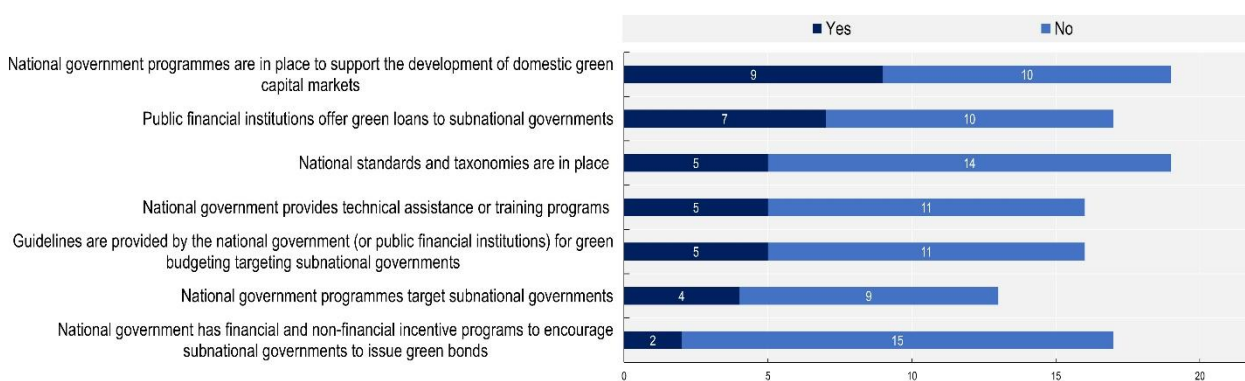
82. **There is evidence showing that the use of green and social debt financing is growing and subnational governments are becoming increasingly active in this market.** In 2022, USD 55.5 billion in green, social and sustainable (GSS+) bonds were issued by local governments' against USD 13.3 billion in 2018 (OECD, Forthcoming^[41]). In some Adherent countries, such as France, Japan, Sweden and the United States, subnational governments are becoming significant issuers of green bonds or climate bonds (OECD, 2021^[40]). The United States is known for having a highly developed bond market, with a large variety in the types of municipal bonds available and a tax discount for investors in municipal bonds. Other Adherents countries such as Canada, Japan, or Korea, also use these instruments and they are becoming more common in Europe (France, Germany, Italy, Spain, Sweden, and Norway) (OECD, 2021^[40]). The case of Japan is worth highlighting, as the central government provides significant support to the local government bond system by guaranteeing revenue resources to pay the interest and principal of local government bonds and checking and controlling the bond issuance (Box 3.8).

83. **Government practices are still evolving regarding green finance, as very few Adherents identified having mechanisms or institutions to strengthen subnational government ability to mobilise green finance.** Only 5 Adherents, for example, provide guidelines for subnational governments on green financing, the same number provide technical assistance or training programmes for subnational governments on the topic, and only 2 have concrete incentives for subnational governments to issue green bonds (Figure 3.18). Nine Adherents (Australia, Chile,

Colombia, Costa Rica, France, Japan, Korea, Lithuania, and Sweden) identified having national programmes to support the development of domestic green capital markets and only seven Adherents (Colombia, Denmark, France, Norway, Slovenia, Sweden and Türkiye) identified having financial institutions that offer green loans to subnational governments. There has not been much progress since the previous Report – in 2019, 6 out of 27 responding Adherents had developed or strengthened innovative financing instruments (e.g. “green” or “social bonds”, land and assets-based financing, etc.). It is also important to highlight that there remains a knowledge gap regarding this topic as very few Adherents provided responses to these questions.

Figure 3.18. Mechanisms to support subnational capacity on access to green finance

Has your country implemented any of the mechanisms listed below to reinforce and support subnational governments capacity to access green finance? (Question 16)



Note: 22 responded to at least part of this question

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

Box 3.8. Mobilising private actors and financing institutions: Examples of good practices

Infrastructure Funding and Financing Act (IFF) in New Zealand

In August 2020, New Zealand’s government passed the Infrastructure Funding and Financing Act (IFF) 2020, establishing a new funding and financing model with a view to encourage private capital to support the provision of new infrastructure for housing and urban development. Through Special Purpose Vehicles (SPVs) and an infrastructure levy or developer obligation charge, local councils, Māori (comprised of entities representing different communities of indigenous peoples known also as Māori) and developers can collaborate to deliver infrastructure that is above a council’s debt constraints without charging high upfront costs to developers.

Source: OECD (2022), G20-OECD Policy Toolkit to Mobilise Funding and Financing for Inclusive and Quality Infrastructure Investment in Regions and Cities, OECD Publishing, Paris, <https://doi.org/10.1787/99169ac9-en>.

Japanese Local Government Bonds

In Japan, the central government provides significant support to the local government bond system. First, the central government guarantees revenue resources to pay the interest and principal of local government bonds through the local public finance system. The payments of bonds are ensured through the local allocation tax. Specifically, the principal and interest cost of the local government bonds are included in the central transfers to local governments for covering the provision of basic public services and infrastructure. Second, the central

government checks and controls the bond issuance. All local governments are required to consult with or notify the Minister of Internal Affairs and Communications (or the prefectural governor) before issuing Local Government Bonds. Local governments in deteriorating fiscal condition are required to obtain further approvals for the issuance.

Source: OECD (2021), *Unlocking infrastructure investment: Innovative funding and financing in regions and cities*, OECD Publishing, Paris, <https://doi.org/10.1787/9152902b-en>.

Green and sustainable bond issuance framework, Île-de-France, France

The Île-de-France Region is an early adopter of sustainable finance and globally, was the first to issue a sustainable bond in a public format (in 2012). More recently, the region has developed a framework for green and sustainable bonds that is compliant with the International Capital Market Association Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines. This framework defines what proceeds from green and sustainable bonds may be used for, the process for project evaluation and selection, the management of proceeds and the reporting and review requirements. In 2021, Île-de-France issued its first tranche under the updated framework for green, social and sustainable bonds in April 2021 and achieved a negative yield, highlighting its attractiveness.

Source: OECD (2021), *Unlocking infrastructure investment: Innovative funding and financing in regions and cities*, OECD Publishing, Paris, <https://doi.org/10.1787/9152902b-en>.

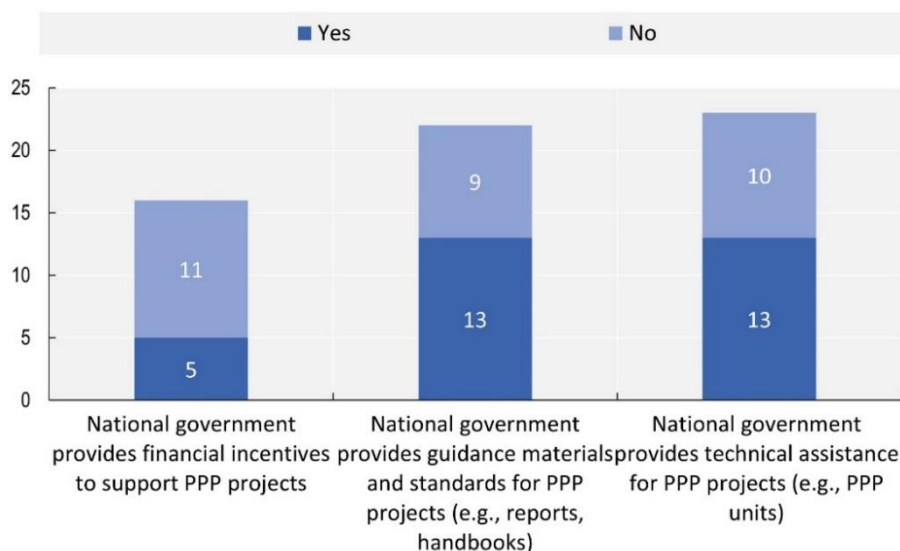
Many Adherents have established frameworks to guide subnational government use of PPPs

84. **The scenario has improved when it comes to public-private partnerships (PPPs).** Although PPPs represent a relatively small component of total public investment in many Adherent countries, they are still frequently used by subnational governments to develop and operate infrastructure. As set out in the OECD Recommendation on Principles for Public Governance of Public-Private Partnerships [[OECD/LEGAL/0392](#)], subnational governments need to carefully assess PPPs benefits, costs and risks and consider whether PPPs produce greater value for money than traditional means. The 2024 survey shows that a majority of responding Adherents have established a legal framework to guide the effective use of PPPs by subnational governments, including Chile, Colombia, Czechia, Denmark, Estonia, France, Israel, Italy, Japan, Korea, Lithuania, New Zealand, Poland, Portugal, and Slovenia. In parallel, almost half of Adherents provide either guidance material, standards or technical assistance for subnational PPPs (Figure 3.19). Worth is noting that this topic remains being one of the most challenging for countries to provide an answer to. In 2019, only 11 Adherents had some knowledge on the use of PPPs by subnational governments – for the current exercise, nine Adherents were not able to complete this question.

85. **Recent OECD evidence emphasises that PPPs frameworks are continuously evolving.** These evolutions can seek to overcome perceived weaknesses from previous experiences, improve outcomes, expand PPP use or reduce costs. In the United Kingdom, for example, the national government has recently moved away from supporting the use of the private finance initiative (PFI) model, which is a form of PPP (Box 3.9). In place of the PFI, the government is now exploring other models, such as the expanded use of a ‘regulated asset base’ model and other approaches to support private sector involvement in infrastructure investment. Separately, at a subnational level, the devolved Welsh Government developed a specific Welsh Mutual Investment Model (OECD, 2021_[40]).

Figure 3.19. Mechanisms to encourage effective use of PPPs at the subnational government level

Has your country implemented any of the mechanisms listed below to reinforce and support subnational government capacity to encourage effective use of PPPs? (Question 16)



Note: 23 responded to at least part of this question

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

Box 3.9. Supporting PPPs at a subnational level: Examples of good practices

Public Private Partnerships (PPP) in Australia

Victoria has been a pioneer in PPPs and in the use of other forms of innovative collaboration agreements with the private sector for regional investments. Since PPPs were first used in the state in 2000, they comprised 10% of infrastructure investment. The state has established Partnership Victoria as a source of standard guidance and policy development for PPPs. One feature of the PPP business case development process is the requirement that each project establish a “Public Sector Comparator” (PSC) – an independently verified cost estimation of the project assuming conventional contracting. The PSC serves as a benchmark for assessing the value for money of the PPP proposal. In addition to PPPs, Victoria has innovated with other contracting models. Alliance contracting is a method of procuring and managing complex investment projects in collaboration with the private sector. It is characterised by less-specific obligation and enforcement mechanisms, but focuses cost and benefit sharing. For this reason it is used particularly when uncertainty makes it difficult to specify “hard” transactional contracts.

Source Department of Treasury and Finance of Victoria State Government (2024), <https://www.dtf.vic.gov.au/partnerships-victoria>; OECD (2019), Effective Public Investment Toolkit – Country Profiles, <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html>

Municipalities as PPP partners: the biogas plant in Nuevo León, Mexico

A biogas plant in the landfill located in Salinas Victoria, Nuevo León, Mexico was developed through a PPP, led by the state government. In addition to the two main investors to its special purpose vehicle (BENLESA), seven municipalities and three governmental agencies entered into associated agreements as partnered members of the PPP. This occurred as the Public Energy Service Law stipulated that permission for public or private partner investors to form an energy co-generation company could only be given if the energy generated by the plant would

be sold to the partnered members. To comply with the law, municipalities signed 5-year independent power production contracts with the BENLESA, becoming both the power purchasers and the official partners. They are the only entities authorised to purchase the energy produced by the plant. The plant supplies almost 60% of the energy needed to power the Monterrey Metropolitan Area's public street lighting, public building.

Source: OECD (2021), *Unlocking infrastructure investment: Innovative funding and financing in regions and cities*, OECD Publishing, Paris, <https://doi.org/10.1787/9152902b-en>.

Improved framework for PPPs in Portugal

In recent years, Portugal has undertaken substantial efforts to improve the national PPP programme, both in terms of performance and in terms of designing a prudent enabling framework. These efforts include developing a plan to reduce PPP costs by about €250 million in 2013, and by up to €400 million after 2014 through measures such as reviewing levels of service, optimising the toll collection mechanisms and reducing private partners' internal rate of return. A full review of public-private partnerships by an international auditor was completed in 2012 and could be used in such potential contract re-negotiations. The new PPP framework law (enacted in May 2012) is a step towards achieving these goals and ensuring value-for-money assessments and implementation of strict procurement procedures. In particular, a new technical unit was created in the Ministry of Finance to assess and monitor PPPs. This unit is now fully operational and is involved in all PPP sectors, including the Road PPPs' renegotiation process currently under way. While the new PPP unit is a good start, much will depend on the implementation of this framework and the vigour with which the spirit of the law is taken on board. The regions have been encouraged to design similar frameworks for assessing fiscal risks derived from PPPs, concessions and other public investments.

Source: IMF (2013) Country Report No. 13/18, <https://www.imf.org/external/pubs/ft/scr/2013/cr1318.pdf> OECD(2019), Effective Public Investment Toolkit – Country Profiles, <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html>

The evolution of public private partnerships in the United Kingdom

The Private Finance Initiative (PFI), introduced in the UK in 1992, was a public-private partnership model used to finance and maintain infrastructure projects such as schools, hospitals, and roads. Under this model, the private sector was responsible for building, financing, and maintaining public assets, receiving payments for making them available. After the 2008 financial crisis, the PFI model saw a decline, leading to the introduction of an improved version, PF2, in 2012. PF2 aimed to address some of the limitations of the original model, including enhancing transparency, reducing reliance on bank debt, and excluding short-term services like catering. However, it was used in only six projects before being discontinued in 2018.

The decision to end PFI and PF2 was influenced by concerns over their complexity, inflexibility, and risks to government finances. Reports from the Office of Budget Responsibility and the National Audit Office highlighted fiscal risks and a lack of data proving the benefits of the PFI model. In the 2018 budget, the UK government announced the model's abolishment, with no plans for its reintroduction. Instead, the government explored alternative financing models, such as the Regulated Asset Base (RAB), which has been successfully applied to projects like the Thames Tideway Tunnel.

In Wales, a new approach was adopted with the Welsh Mutual Investment Model (MIM), launched in 2017. This availability-based PPP model allows private partners to finance, build, and maintain public assets, but with key differences from the PFI. The Welsh Government can take a minority equity stake in projects and appoint directors to project boards. MIM has been used for several major infrastructure projects in Wales, including the 21st Century School Programme and the A465 Major Road Scheme.

Source: OECD (2021), *Unlocking infrastructure investment: Innovative funding and financing in regions and cities*, OECD Publishing, Paris, <https://doi.org/10.1787/9152902b-en>.

Principle 7: Reinforce the expertise of public officials and institutions involved in public investment**Principle 7: Reinforce the expertise of public officials and institutions involved in public investment**

Bolster the capacity of both officials and institutions associated with public investment. Due attention should be paid to effective human resources management, as well as to cultivating knowledge (identifying, sharing and applying good practices such as the present Principles) and relationships (refining mechanisms for vertical co-ordination, strengthening co-operation among sub-national governments, and developing linkages to sources of expertise). Capacity at the sub-national level deserves particular attention; in some cases financial resources, professional skills, or institutional quality may be lacking. Not all capacities can be strengthened at the same time. It is therefore valuable to identify binding constraints and the proper sequence of reforms.

Why is it important?

86. **Reinforcing the expertise of public officials and institutions involved in public investment is critical for ensuring impactful and resilient public investment.** Expertise, skills and knowledge are today more critical than ever to address uncertainty and ensure resilience. The cross-sectoral, multi-level and forward-looking nature of public investments require specific set skills, often hard to find, especially at the subnational level, particularly in rural areas. Indeed, capacity gaps at the subnational level are often identified as the main barrier for policy-making – it is not unusual to find cases where, despite the availability of funds, public investment projects have failed due to insufficient planning and poor execution. Specific analytical skills and strategic thinking, for example, are needed to design place-based public investment strategies that address economic, social and environmental challenges and opportunities in different regions. Strong communication, networking and negotiation skills are also necessary to coordinate and engage with a variety of stakeholders, including local governments, businesses, and community organisations.

87. **Well-trained public officials are better positioned to respond to modern challenges,** such as climate change, urbanisation, and technological advances, by making informed investment decisions. As cities grow and climate risks demand more resilient infrastructure, public institutions need updated expertise to adapt and innovate. By building a capable workforce, governments can be proactive, ensuring that public investments not only address immediate needs but also anticipate future demands, fostering sustainable development and improving the quality of life for all citizens. The ability to innovate and adapt is also crucial for finding creative and innovative funding sources. Expertise in areas like project appraisal, risk management, and financial planning helps public institutions design and implement infrastructure and development projects that align with national priorities and effectively address the needs of different communities. Expanding the use of green bonds at the subnational level, for example, require addressing the limited knowledge and capacity to assess climate and financial risks and identify eligible projects.

88. **Subnational governments often face difficulties attracting and retaining this type of expertise,** particularly when there is high competition with the private sector. This also may exacerbate risks of territorial imbalances- larger, wealthier and better equipped subnational governments may be better positioned to attract and develop in-house skills, to the detriment of smaller subnational regional or local governments, deepening territorial inequalities. To address this, governments at all levels need to adopt a series of complementary initiatives. Subnational governments, for example, need to be appropriately empowered and able to hire and manage staff according to their unique needs, with some degree of flexibility in recruitment processes, career development, and compensation schemes. In parallel, systematic training, guidelines and capacity building activities need to take place to build internal capabilities. Collaborative networks and knowledge-sharing platforms between subnational governments could also help mitigate these imbalances, allowing smaller governments to access expertise and share best practices. Additionally, central governments could support regional talent by providing targeted funding, scholarships, or incentives to encourage professionals to work in under-served areas.

89. **Enhancing public officials' expertise may also strengthen transparency and accountability**, which are essential for public trust. When officials are well-versed in financial management and project oversight, they can better prevent corruption, inefficiency, and mismanagement. Public corruption is one of the greatest threats that may undermine infrastructure projects – especially large one. And greater and stronger institutional capacity means projects that can be completed with greater integrity. Stronger oversight helps ensure that funds are used as intended, and public institutions can maintain the confidence of citizens and investors alike.

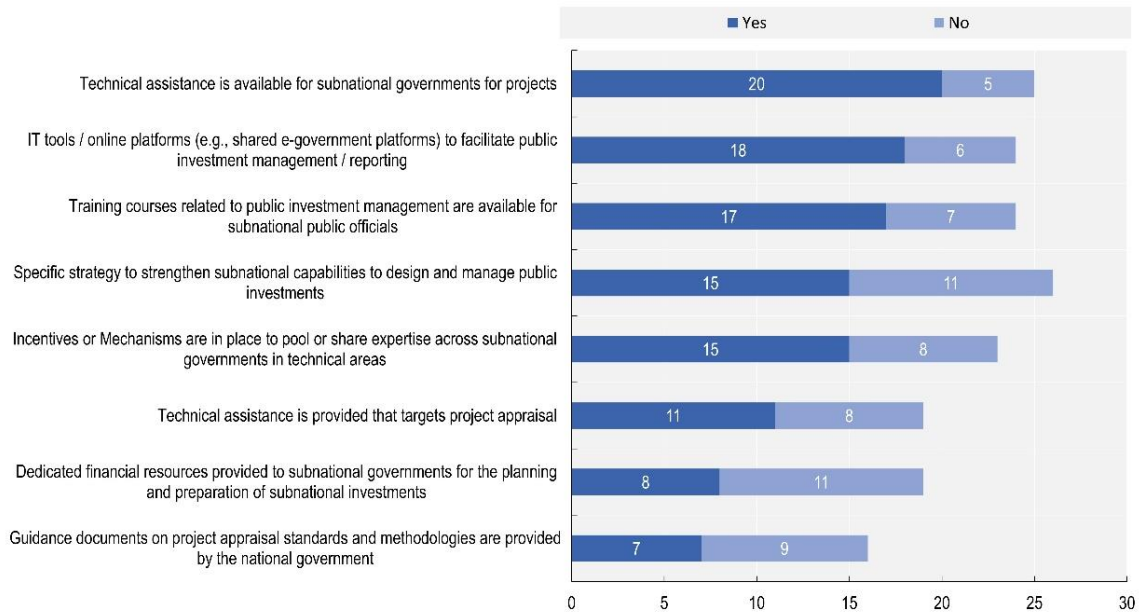
Building expertise for subnational public investment remain challenging

90. **Subnational capacities vary importantly across Adherents**. Capacity levels are often correlated to the degree of responsibilities of subnational governments. In federal countries, capacities at the intermediate level are often greater as states have important responsibilities in development and investment strategies. In unitary country or countries that have a large number of small local governments, the capacity gap is often one of the greatest challenges for designing and implementing investment policy. Still, among unitary countries, the educational level of subnational public employees is very diverse, depending in some cases on responsibilities assigned to regions and municipalities. The recent evidence gathered by the OECD database on subnational public employment, shows that variation in educational attainment across subnational public employees is partially explained by differing competencies. In Portugal, for example, a 71% of municipal employees have graduate-level education (equivalent to master's degree or higher). Costa Rica also has a highly educated municipal administration, with 67% of employees having graduate level education. Conversely, in municipalities in Finland, Sweden, and Denmark, only 23%, 18%, and 8% of public employees respectively have graduate level education. Mexican regions have the lowest share of graduate level public employees for countries that have data available, at 7% (OECD, 2024^[42]).

91. **Aware that the capacity gap is one of the most important and recurring challenges at the subnational level, Adherents have developed a series of strategies to address it**. The 2024 survey shows that almost 69% of Adherents that completed the corresponding question, have in place technical assistance programmes for subnational governments and almost 56% use IT tools or online platforms for capacity building (Figure 3.20). This is in line with the results of a recent survey by the European Committee of the Regions to Local and Regional Authorities (LRAs), for example. This survey shows that 40% of LRAs have in place a training programmes such as trainings on digital technologies, training programmes funded by the S3 strategy or national training programmes on ICT, language and soft skills (European Committee of the Regions, 2024^[43]). The evidence collected by the 2024 survey also shows that Adherents have made important progress in sharing expertise. In 2019, only 8 out of 27 Adherents reported having implemented such incentives, while in 2024, 15 Adherents have mechanisms or incentives to share expertise across subnational governments on technical issues. Still, the 2024 survey shows that only half of responding Adherents have a comprehensive strategy to strengthen subnational capabilities.

Figure 3.20. Mechanisms to reinforce the skills and capacities of subnational public officials and institution

Which tools / mechanism(s) are implemented by your national government to reinforce the skills and capacities of subnational public officials and institutions to better support public investment for regional development? (Question 18)



Note: Total respondents: 29.

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

92. **Capacity building is often weaker when it comes to developing expertise specifically for subnational public investment.** While in 17 responding Adherents training courses related to public investment management are available for subnational public officials, only 11 declared having technical assistance programmes for project appraisal, and only 7 have guidance documents on project appraisal standards and methodologies. In the same spirit, very few Adherents (8) dedicate financial resources for the planning and preparation of subnational investments.

93. **Some good examples on this matter can be found in Adherent countries.** In the US, for example, the Environmental Protection Agency hosts the Water Infrastructure and Resiliency Finance Center, which helps local communities to identify and implement options for financing resilient infrastructure. This initiative includes networking between local authorities, providing training and links to potential funding mechanisms. In the same spirit, and with the aim of strengthening resilience across the country, Infrastructure Canada has developed a general guidance on integrating Climate Lens into infrastructure programmes to assess the climate impacts of infrastructure from both a greenhouse gas (GHG) and resilience perspective (OECD, 2024_[27]). The tool encourages applicants, such as municipal government employees, to consider how their projects can reduce GHG emissions and increase resilience to climate change, which benefits their communities and the environment. The Climate Lens General Guidance document provides information on how to assess GHG emissions from various infrastructure projects across Canada, as well as how to assess the risk and resilience of projects to climate change related disruptions or impacts. Other Adherents have adopted a comprehensive approach to capacity building. The Chilean Academy of Regional and Municipal Capacity Building, for example, provides continuous training for regional and municipal public officials on a diverse set of competencies, including for public investment. Australia has developed a set of complementary tools to strengthen subnational capacities. The National Guidelines for Infrastructure Project Delivery, for example, promote

cross-government consistency and the use of best practice approaches covering traditional contracting, alliance contracting and PPPs. All Australian jurisdictions also participate in regular forums for interjurisdictional knowledge-sharing and collaboration focusing on themes such as procurement data, capability and development, policy, etc. These forums are a space where jurisdictions discuss policy challenges in relation to procurement, partake in information sharing and discuss other relevant government procurement matters. Other examples exist in France, Slovenia and Germany (Box 3.10).

Box 3.10. Public sector capacity: Examples of good practices

The National Agency for Territorial Cohesion (ANCT) in France

The Agence nationale de la cohésion des territoires (ANCT) is placed under the authority of the Ministers for Territorial Cohesion and Relations with Local Authorities. Its mission is to advise and support local authorities and their associations in the design, definition and implementation of their projects. ANCT facilitates local authorities' access to the resources they need to bring their projects to fruition: technical and financial engineering, partnerships, subsidies.

In particular, it has developed "tailor-made engineering", a free service for municipalities with fewer than 3,500 inhabitants and EPCIs with fewer than 15,000 inhabitants, designed to help local authorities bring their projects to fruition by providing technical and financial support tailored to their specific needs.

It is also the coordinating authority for the management of European funds and has ensured the deployment of a large number of national schemes.

Further to this, it is also responsible for observing and understanding local areas. The programs cover a wide range of fields, including:

- Urban policy for the most disadvantaged urban neighbourhoods
- France Services: This program aims to improve access to public services in all regions.
- Action cœur de ville: This is a program designed to revitalise the centers of medium-sized towns.
- Petites Villes de demain: This program supports small towns in their sustainable development projects.
- France Très Haut Débit: This program aims to provide very high-speed broadband coverage throughout France.
- Territoires d'Industrie: this program aims to support the industrial redevelopment of the country's most industrial areas, focusing on innovation, skills, land and ecological transition.
- New places, new links: this program aims to accelerate the development of third-party venues throughout France, by promoting territorial networking, the development of services of general interest, and professionalising and organising third-party venue networks.
- Digital Society: this program aims to enable all French people to benefit from the opportunities offered by digital technology, by preparing them for new skills and professions, and by giving them the first keys to becoming enlightened citizens in the digital society.

Last but not least, the ANCT is in charge of deploying ecological recovery and transition contracts, which encourage collective work between the State, local authorities (Regions, Départements, communes, etc.) and local public and private players. They enable all local initiatives to be listed in a single document, and simplify access to the financial and engineering resources likely to make a coordinated contribution to the actions undertaken.

Source: OECD (2024), Questionnaire on Recommendation on Effective Public Investment Across Levels of Government; ANCT(n.d.), Agence Nationale de la Cohésion des territoires, <https://agence-cohesion-territoires.gouv.fr/>

Training and capacity support in Slovenia for new regulations

The central government supports training of local officials particularly when new regulations regarding local governments are approved. This is often undertaken in co-operation with the municipal associations. Capacity development and support also comes from the three municipal associations in Slovenia. For example, the Association of Municipalities offers “events, conferences for experts, seminars and workshops; it helps with advice and solutions in the field of local autonomy and passes them on to the bodies at state level, it advises the municipalities on legal, tax and economic matters, offers municipalities expert help with the process of adjustment to the legal order of the European Union, assists with qualifying the personnel of the local administration and of public enterprises (filling shortages of staff), and offers other particular projects whose goals are updating and professionalisation of the employees in the municipality administration and in public enterprises.”

Source: ZOS (n.d.), “Fundation”, www.zdruzenjeobcin.si/index.php. OECD (2019), Effective Public Investment Toolkit – Country Profiles, <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html>

PD, the German in-house consultancy of the public sector

PD, a consultancy owned by the public sector, advises public sector clients in Germany on infrastructure and modernisation. PD is jointly owned by 202 stakeholders, including 14 state governments and 132 local governments. The consultancy model helps build experience at scale within PD, which might not be possible for local governments. It also encourages cross-pollination of ideas across places and sectors. Since PD is partly owned by subnational governments, it can be more responsive to their needs and priorities compared with a fully nationally owned alternative. PD has advised on a range of projects contributing to climate resilience, including Brandenburg’s climate change adaptation strategy and Hamburg’s urban economic strategy (including an adaptation component).

Source: OECD (2024), infrastructure for a Climate Resilient Future, https://www.oecd.org/en/publications/infrastructure-for-a-climate-resilient-future_a74a45b0-en.html

Principle 8: Focus on results and promote learning from experience

Principle 8: Focus on results and promote learning from experience

Clarify the outcomes to be achieved through public investment and pursue mechanisms to achieve them. Those mechanisms can include results-oriented investment strategies with clearly defined policy goals, well-designed tendering procedures, effective monitoring systems, high-quality ex-post evaluation, regular reflection on and upgrading of investment choices, active exchange of information and on-going, and mutual learning among actors involved in public investment.

Why is it important?

94. **Focusing on performance ensures that public investment leads to the desired outcomes, helping to maximise the social, economic and environmental benefits.** Results oriented public investment requires, among other areas, (1) setting clear objectives and the outcomes expected from public investment; (2) making evidence-informed decisions; (3) systematically collecting and managing data and evidence over the entire investment life cycle at the right national or subnational scale; and (4) exchanging information on good practices to foster learning from experience. When objectives and expected outcomes are clear policymakers can align resources and investment strategies more effectively.

95. **Identifying clear indicators and developing a system to monitor outputs and outcomes can help to inform policymakers and citizens on their investments effectiveness and efficiency.** A well-designed indicators system may also encourage governments to perform and can help understand the reasons behind success or failure. A key step for results-oriented public investment is to make decisions informed by clear evidence that allows assessing the needs of different places and direct resources towards projects that have the greatest impact, thereby avoiding waste and ensuring the best possible returns on investment. Once an investment decision is made, regular monitoring and evaluation enables governments to learn from past experiences, adapt investment strategies in real-time, and make necessary adjustments to improve performance. Yet, setting evaluation standards and using their results in future interventions is not always easy. Beyond the capacity needs it involves, policy monitoring and evaluation imply additional costs that need to be balanced with the need to pursue effectiveness (OECD, 2018_[12]).

96. **Results-oriented public investment also provides greater clarity on the impact achieved, offering more transparency and accountability to citizens and relevant stakeholders.** This approach allows stakeholders to track progress and assess the effectiveness of projects in real-time, making it easier to demonstrate how public funds are being used to achieve specific goals. By focusing on performance, national and subnational governments can offer concrete evidence of benefits delivered to citizens and other stakeholders. This helps to enhance the legitimacy of public investment decisions. Furthermore, by making the results of public investment more transparent, citizens and oversight bodies are better positioned to hold governments accountable for the efficient and effective use of resources. Greater accountability, in turn, reduces the risk of corruption, waste, or mismanagement of funds. Ultimately, transparency and accountability help boosting confidence in public decisions, securing public support and ensuring long-term sustainability of investment initiatives. This, in turn, encourages greater civic engagement, as stakeholders are more likely to participate in decision-making processes when they trust that their input and government actions are aligned toward meaningful results.

97. **Focusing on performance not only increases the efficiency of public investment but also enhances the ability to tackle urgent and long-term challenges in a more strategic and impactful way.** A performance-based approach ensures that investment decisions are grounded in evidence and data. This facilitates decisions that do not necessarily focus only on short term political gains, but on long-term and sustainable outcomes. Public investment guided by performance also encourages efficient use of resources as governments can adjust or redirect funds toward more successful programs, urgent needs or emerging priorities based on real-time performance data.

Diverse approaches to enhance performance-oriented public investments across Adherents

98. **Performance is at the centre of public investment decision-making for Adherents.** Previous OECD studies have found that Adherents perform relatively well on using data and evidence for strategic planning, project appraisal, impact analysis and infrastructure management (OECD, 2021_[44]). Evidence gathered through the 2024 survey is in line with this finding. More than half of responding Adherents (17) declare having some form of regulation that requires input and output indicators to be defined for investment projects. While this is promising, survey results show that, on average, Adherents have not progressed on this dimension since 2019, when also 17 out of 27 Adherents had developed input and output indicators to monitor investment's implementation.

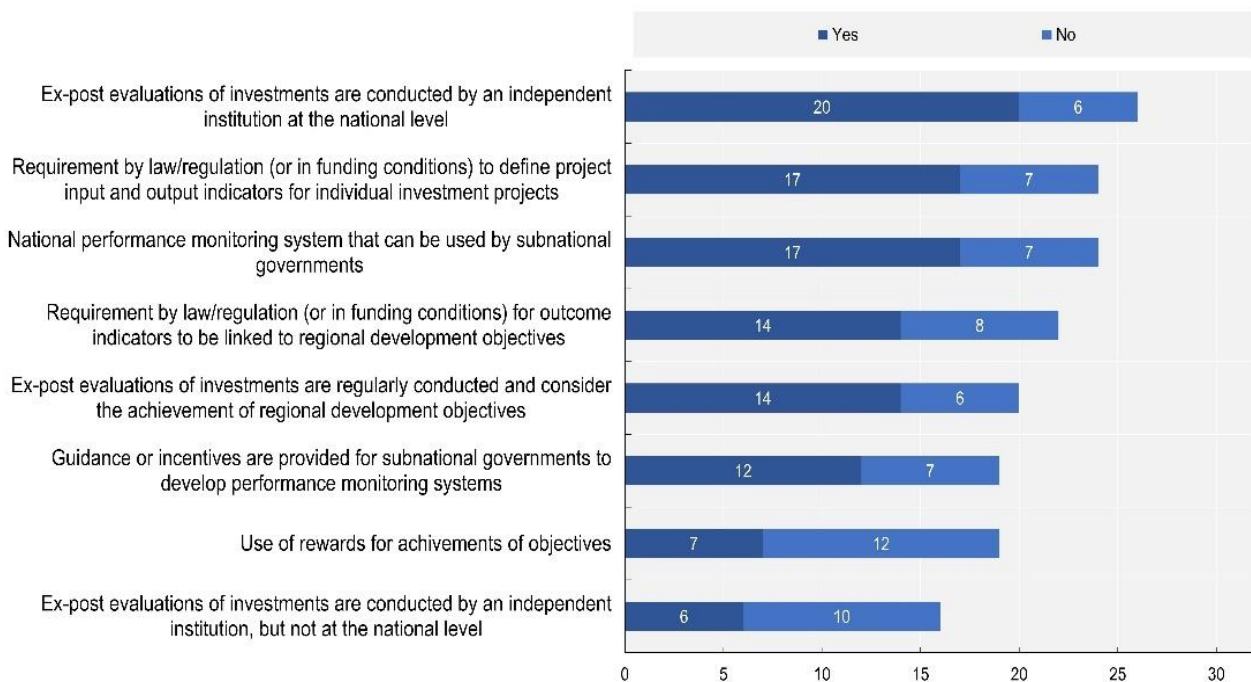
99. **Ex-post evaluations of investments are increasingly common in Adherent countries.** Most Adherents (20) also conduct independent ex-post evaluations of investments, representing important progress since 2019 when only 14 Adherents declared conducting such evaluations. The definition of input and output indicators, as well as the implementation of ex-post evaluations is particularly driven by investments conducted in the framework of the EU Cohesion policy that has special requirements on these dimensions. All EU funded investments through Cohesion Policy need to go through an ex-post evaluation so that the European Commission (EC) can assess whether a specific intervention was justified and whether it worked as expected in achieving its objectives and why. To promote ex-post evaluations at the subnational level, France, for example, has developed a methodological guide kit for conducting a local evaluations of projects undertaken in the framework of the *Action Coeur de Ville* (ACV) project. This kit, for local project managers, presents the different phases of the process and the different evaluation tools that cities can use.

100. **Performance monitoring systems are another crucial component of investment frameworks in many Adherent countries.** The 2024 Survey shows that most responding Adherents (17), have established national performance monitoring systems that can be used by subnational governments and 12 Adherents provide guidance or incentives to subnational governments to develop performance monitoring systems – this last might represent a setback from 2019 though as by then 15 Adherents declared having some form of guidance or incentive. In Estonia, for example, municipalities can access a tool to assess the performance of their investments through the “My municipality portal” ([Minuomavalitsus](#)) and in Colombia, the website “Sinergia” provides several guidelines and evaluation documents related to monitoring systems. There are also some cases where the national government provides incentives or rewards for subnational governments achieving certain objectives. Estonia, for example, established a reward of 50,000 euros for municipalities that, in addition to preparing planning documents to introduce wind energy, also managed to establish the wind energy plan during the project implementation.

101. **Performance-based investment can help align investment decisions with regional development policy goals.** This is clearly seen in the survey results: in almost half of responding Adherents (14) there is a formal regulatory requirement to align outcome indicators with regional development policy objectives; the same occurs with ex-post evaluations when 14 Adherents also need to consider the achievement of regional development policy objectives. In Türkiye, for example, the regional development agencies (RDAs) have “Results Oriented Programmes” including measurable outcome and output targets in line with the Regional Plans (Box 3.11).

Figure 3.21. Mechanisms for performance-based public investment

Has your country implemented any of the following mechanism(s) to ensure a result-oriented public investment strategy that contributes to regional development? (Question 19)



Note: Total respondents: 28.

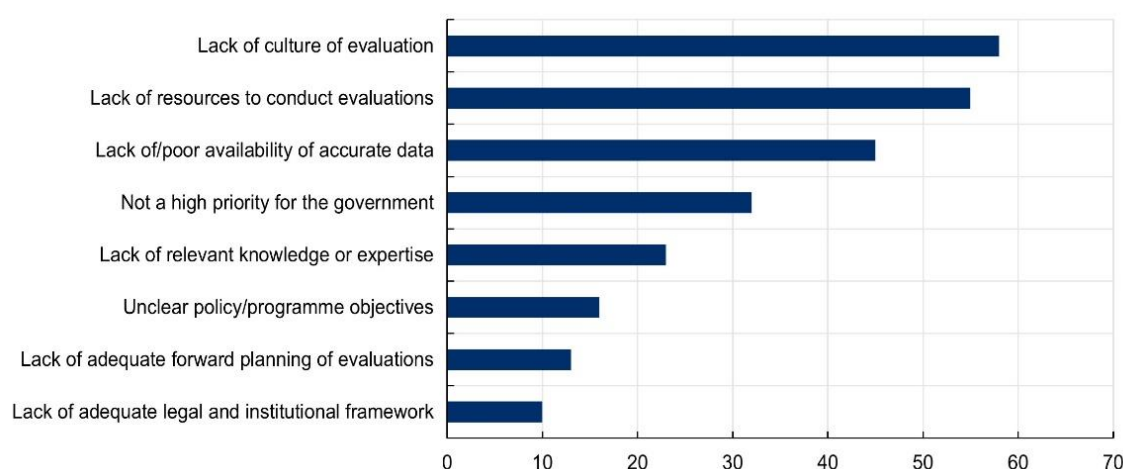
Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

102. **While the evidence shows that Adherents are indeed integrating performance-based decision making, there is still progress to be made.** Indeed, even if the results need to be taken with caution as the response rate for this

question was low, the survey does not reveal an important progress since 2019. There are still an important number of respondents that either do not know whether mechanism to ensure result-oriented public investment aligned with regional development objectives are in place, or do not have any mechanism. Indeed, integrating evaluations and performance into decision making is not an easy task for governments, especially at the subnational level. The recent survey on public policy evaluation, for example, shows that OECD Member countries face a range of barriers to promote policy evaluation: 58% of countries declared facing lack of culture of evaluation, for 55% a key challenge is the lack of resources to conduct evaluations and for 45% the lack of/poor availability of accurate data is a main challenge (OECD, 2024^[45])

Figure 3.22. Challenges of policy evaluation

What are the main challenges related to policy evaluation



Source: OECD 2023 Survey on Public Policy Evaluation

Box 3.11. Focus on results and learning from experience: Examples of good practices

The electronic reporting system for municipalities and counties (KOSTRA) in Norway

Norway's [KOSTRA](#) system is an electronic reporting system for municipalities and counties. It can publish input and output indicators on local public services and finances and provide online publication of municipal priorities, productivity and needs. KOSTRA integrates information from local government accounts, service statistics and population statistics. It includes indicators of production, service coverage, needs, quality and efficiency. The information is easily accessible via the Internet and facilitates detailed comparison of the performance of local governments. KOSTRA data is frequently used by the local government themselves and by the media and researchers. Although individual local governments could use KOSTRA more efficiently (e.g. by systematic benchmarking), the system has helped facilitate comparisons of municipalities thereby promoting "benchmarking".

Source: Statistics Norway (2024), KOSTRA, <https://www.ssb.no/offentlig-sektor/kostra/statistikk/kostra-kommune-stat-rapportering> OECD (2019), Effective Multi-level Public Investment: OECD Principles in Action, OECD Multi-level Governance Studies, OECD Publishing, Paris, <https://doi.org/10.1787/c3bc625b-en>.

The Regional Strategic Partnership Fund's (RSPF) impact management framework in New Zealand

New Zealand has developed an impact measurement framework to capture the Regional Strategic Partnership Fund's (RSPF) Productive, Resilient, Inclusive, Sustainable, and Māori-enabling (PRISM) impact. The framework consists of a set of indicators, underpinned by an outcome logic model, which connects them to the PRISM objectives. The indicators will be used to capture project-level outcomes. This data will also be aggregated, and complemented by other available data, to tell a programme-level story about the success of the RSPF.

The PRISM objectives of the RSPF are consistent with a growing trend among investors to “invest for impact”, that is; investing with the intention to generate positive measurable social and environmental impact alongside a financial return. The PRISM objectives, translated into a set of investment criteria, and applied alongside a commercial assessment (and eligibility criteria), will ensure that the RSPF is investing for impact.

Source: Ministry of Business Innovation & Employment (2022), Report back on RSPF impact management framework, <https://www.mbie.govt.nz/dmsdocument/21660-regional-strategic-partnership-fund-impact-management-framework-proactiverelease-pdf>

Results Oriented Programmes in Türkiye

In Türkiye, regional development agencies (RDAs) have designed “Results Oriented Programmes” since 2017. These medium-term programmes include measurable outcome and output targets in line with the Regional Plans, based on qualified analytics, prepared in collaboration with the relevant institutions, including sub-programmes, projects and activities aimed at achieving development results in a specific sector or theme with a view to achieving strategically defined development objectives.

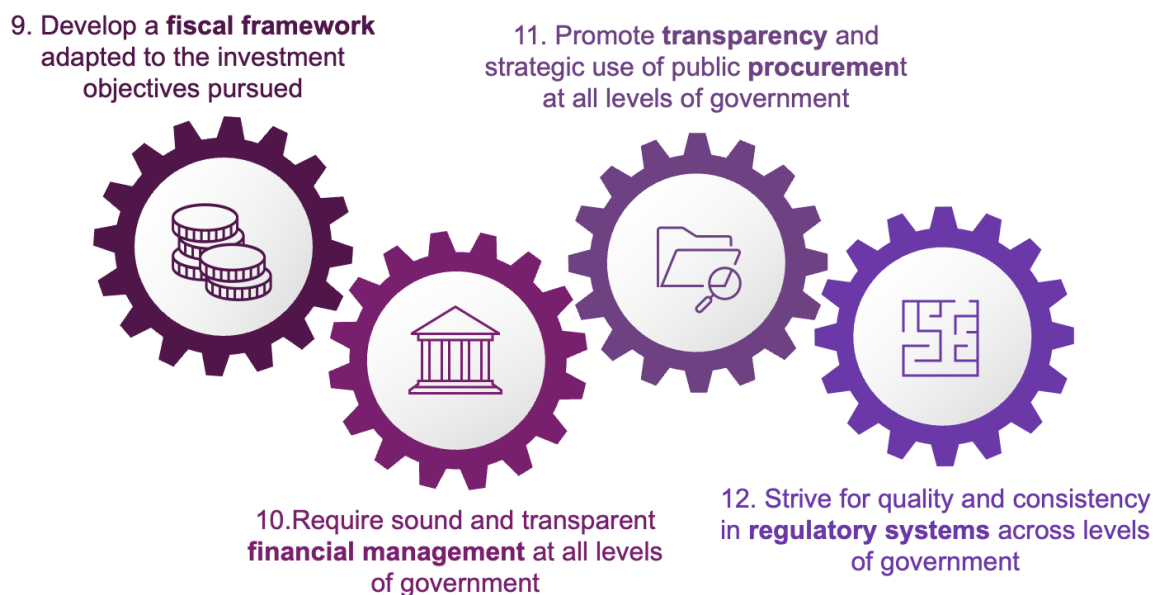
Source: Kalkinma Ajanslari (n.d.), Development Agencies in Turkey, <https://ka.gov.tr/en> ;OECD (2019), Effective Multi-level Public Investment: OECD Principles in Action, OECD Multi-level Governance Studies, OECD Publishing, Paris, <https://doi.org/10.1787/c3bc625b-en>.

Pillar 3: Ensure sound framework conditions for public investments at all levels of government

Why is this Pillar important?

103. **Effective public investment relies on the right framework conditions being in place.** For governments at different levels to collaborate towards the same objectives and co-ensure that public investment yields expected outputs and outcomes, they need an enabling environment. Four key framework conditions are: (1) the fiscal framework; (2) financial management; (3) procurement and (4) regulatory framework (Figure 3.23).

Figure 3.23. Pillar III: Ensure sound framework conditions for public investments



Source: Author's elaboration

Principle 9: Develop a fiscal framework adapted to the investment objectives pursued

Principle 9: Develop a fiscal framework adapted to the investment objectives pursued

- i. **Employ a fiscal framework adapted to the different investment policy objectives pursued.** Intergovernmental earmarked grants and co-financing (matching) arrangements are appropriate when projects generate positive spillovers, when economies of scale are needed, when risk sharing or temporary co-operation is sought, when it is necessary to align priorities across levels of government and when capacities of sub-national governments need to be bolstered. Co-financing can also increase the commitment of different stakeholders to the success of a project as well as encourage resource pooling across sub-national governments.
- ii. **Set enabling conditions for sub-national governments to be able to exploit their own revenue raising potential,** not only to finance investment, but to allow for participation in co-financing arrangements and to address long-term operations and maintenance costs.

Why is it important?

104. **Developing a fiscal framework that aligns with investment objectives and responsibilities is key to supporting investment while also maintaining fiscal discipline.** A sound fiscal framework can help establish clear rules and guidelines for how subnational investment is funded and financed. The framework provides structure within which regional and local governments can operate, helping them to make strategic investment decisions that respond to their specific needs (OECD, 2022_[46]). A robust fiscal framework allows subnational governments to strike a balance between raising their own revenues and receiving external support, providing them with sufficient fiscal capacity to

undertake needed investments without over-reliance on debt or grants. Sound fiscal frameworks are important to promote fiscal equity and ensure that all regions, regardless of their economic standing, can invest. They can also potentially help address regional inequalities and support lagging areas to catch up with more advanced regions.

105. **Intergovernmental fiscal frameworks determine—to a large extent—subnational government’s financial capacity to invest.** Subnational governments with rigid and low budgetary arrangements, for example, may be constrained when they seek to invest—even where an investment project has a strong positive economic return. When fiscal frameworks are appropriately designed, subnational governments are better able to support high quality projects that are in line with their competencies and financial capacity, while ensuring fiscal discipline. Well-designed fiscal frameworks can help to reduce wasteful spending by supporting accountability and can help to allocate resources more strategically to promote inclusive growth, for example by providing targeted support for supporting governments with lower development levels or lower own revenue raising capacity.

106. **As main drivers of public investment, subnational governments need to play an active role in exploiting their own revenue-raising potential to help fund investment.** Funding is needed to pay for long-term operations and maintenance costs, access finance and participate in co-funding arrangements. Even though transfers often support investment, subnational governments still need sufficient own revenue. Indeed, it is relevant for fiscal frameworks provide certain leeway to subnational governments over their revenue, in line with their spending powers and responsibilities. The ability of subnational governments to collect revenue is a key element in their creditworthiness. When subnational governments have stable own revenues and some degree of fiscal autonomy, they are also better positioned to plan long-term investments and adapt investment decisions to local needs.

107. **Still, most subnational governments need vertical and horizontal transfers to fully fund their investment.** Stable intergovernmental grants aligned with regional development objectives can help fill the gap in local financing and support vertical co-ordination of investment. Transfers are especially important for regions and municipalities that have infrastructure or investment responsibilities larger than their tax base. Transfers provide the ability for conditions, for example, to ensure compliance with national priorities, such as environmental sustainability, at the subnational level. Furthermore, horizontal or vertical equalisation mechanisms can help address structural inequalities and promote a more balanced and equitable territorial development across regions.

108. **A challenge lies in finding the right balance between own revenues, transfers and financing for subnational investments, while limiting risks relating to excessive subnational government debt.** Over-reliance on grants, for example, can undermine local flexibility and discourage the optimisation of own revenue collection. Conversely, an overreliance on own-source revenues, without adequate support from transfers, can lead to underinvestment in lagging regions that often have less revenue capacity, exacerbating regional inequalities. A balanced approach ensures that subnational governments have enough fiscal autonomy to prioritise investments according to local needs, while also achieving benefits from national support to address larger or more complex challenges that exceed their financial capacity, require co-ordination or address national priorities. Adapting fiscal frameworks to encourage accountability, while also accounting for institutional context, can help to modernise and make local governments more efficient. Reforms in this area should seek to ensure transparency, reinforce local elected representatives’ responsibility and encourage fiscal sustainability.

109. **A clear intergovernmental fiscal framework also includes fiscal rules.** One of the purposes of fiscal rules is to limit the risk from unsustainable levels of subnational government debt. This can include budget balance rules and debt rules, such as the so-called “golden rule”, which allows subnational governments to borrow only for capital investment. Fiscal rules may also include caps on debt service (interest and capital reimbursement), caps on the levels of outstanding debt and on new annual borrowing, limitations on loans with foreign institutions or on the use of foreign-currency borrowing, balanced budget requirements and restrictions on bond issuance or on the use of risky financial instruments (e.g. derivatives) (OECD, 2022^[46]).

110. **Sound intergovernmental fiscal arrangements can also foster collaboration across levels of government, promoting co-ordination on investment projects that require shared funding or involve multiple jurisdictions.** Co-funding schemes, for example, are more than a way for subnational governments to secure funds. They can help to ensure the commitment of different actors to the success of a project and create collective ownership. This collective

ownership can strengthen the alignment of objectives, ensuring that all involved parties—whether at the local, regional, or national level—are working towards common goals. Co-funding also facilitates alignment of investment priorities across levels of government and encourages subnational authorities to pool resources with neighbours. Co-funding schemes may also encourage subnational governments to engage in projects with broader social benefits, including investment in climate resilience.

111. **Fiscal frameworks need to encourage long-term fiscal sustainability.** Governments should account for long-term financial risks associated, not only with demographic change, but also those arising from climate change and environmental degradation. The fiscal consequences of demographic change and climate change are an increasing concern in many countries and will impact regions and subnational governments differently. These consequences range from reduced tax-base – and thus tax revenues – especially in regions facing strong demographic decline - to higher public expenditures related to the reconstruction of infrastructure or disaster relief transfers (EC, IMF, OECD, 2021^[47]).

Fiscal pressures from recent crisis have had different impacts across subnational governments

112. **In recent years, subnational have faced fiscal risks linked to the impact of the COVID-19 pandemic and subsequent economic crises.** During the COVID-19 crises, subnational authorities had to contend with increased demands for some public services, such as healthcare and unemployment benefits. Fiscal challenges were also asymmetric across regions. Public finances of coastal regions, for example, compared to interior ones, suffered more from the reduction of tourist flows during the COVID-19—one of their main sources of subnational revenue in countries like Italy or Spain. In response to the COVID-19 crises, countries around the world also reduced their debt burden, set-up credit lines, developed access to long-term borrowing and capital markets and/or established municipal liquidity facilities (OECD, 2022^[4]).

113. **While there has been a long-term reduction in subnational investment in Adherent countries, it was more resilient during the pandemic than past crises, in part thanks to central government support.** As shown in Chapter 1, following the 2008 crisis subnational investment briefly increased by 7% as part of the stimulus, but then decreased and did not recover to 2009 levels for 9 years.¹¹ More recently, following the 2020 COVID-19 pandemic, subnational government investment briefly decreased but is now 6% above pre-pandemic levels (2019 levels). This increase is partly thanks to fiscal support from central governments as capital transfers received increased by 1.6% in 2021 and 29% in 2022 (OECD, Forthcoming^[48]).

Subnational governments depend largely on grants

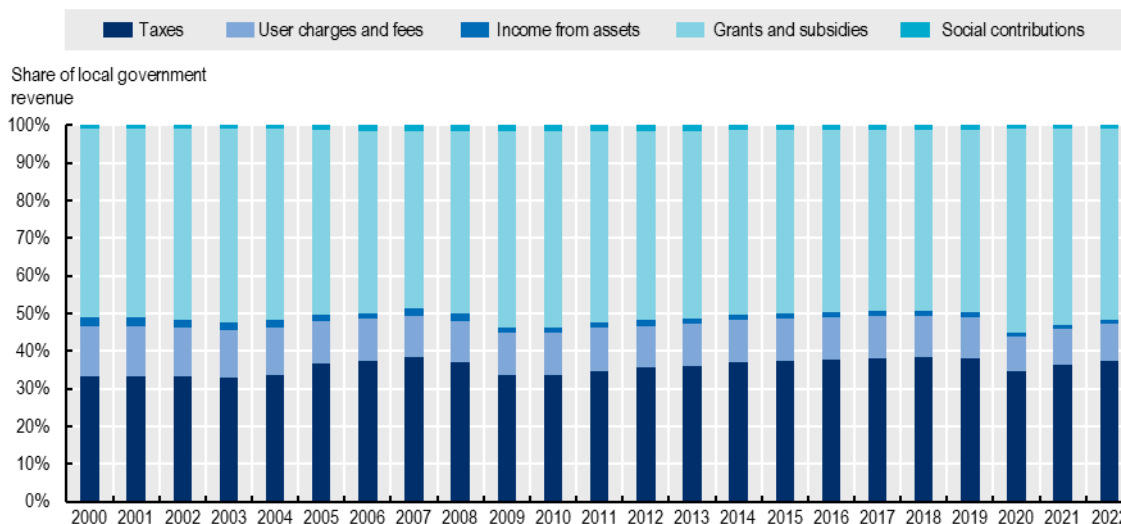
114. **Funding and financing investment remains one of the most important challenges for subnational investment.** The European Investment Bank recently conducted a survey to assess the state of local infrastructure investment in European municipalities (EIB, 2023^[23]). The survey shows that the lack of funds is recognised as major obstacle by 58% of European municipalities - the largest major obstacle for all municipalities. However, this rate varies across regions. While the lack of funds is a major challenge for 48% of municipalities in more developed regions, this rate reaches 59% in transition regions and almost 75% for municipalities in less developed regions. The survey also shows that a low proportion of municipalities (18%) have used external financing to fund their infrastructure investment—among these, only 60% obtained all the external debt finance they had sought. In less developed regions, only 47% of municipalities declared obtaining all the external financing sought. Commercial bank loans are the most common source of external financing (64%) and a very low proportion of municipalities declare accessing capital market green bonds (3%) (EIB, 2023^[23]).

115. **Grants and taxes make up most local government revenue.** On average in OECD Member countries, taxes represent 34.2% of revenue, grants and subsidies represent 51.6%, tariffs and fees represent 11.2%, property income represent 2.0% and social contributions represent 1% (Figure 3.24).

¹¹ In real terms (absolute amount)

Figure 3.24. Grants and taxes make up most of local government revenue

Local government revenue in OECD Member countries by source, 2000–2022 (share of total local government revenue)



Note: Data unavailable for Australia, Chile, Colombia, Türkiye and the United States.

Source: OECD National Accounts, Annual Government Non-Financial Accounts and Key Indicators (Revenue)

116. **Property tax is a cornerstone of local taxation in many countries and has a strong link to public investment.** Localised public investments often result in an increase in the value of nearby land, which is received by property owners as a ‘windfall gain’. Property tax can be used to capture some of this increase in value and fund local public investments. While the subnational tax mix has changed relatively little it is possible to observe that the property tax share has been on the rise over the last ten years (OECD, 2021^[49]). In OECD Member countries, recurrent property taxes accounted for 3.2% of subnational government revenues in federal countries and 1.5% in unitary countries in 2022 (OECD, 2024^[24]). However, the property tax, despite its merits as a local government revenue source, remains underused in many countries. To further benefit from this important source of local revenue, many Adherents are undertaking reforms of their property tax systems. Germany and Poland, for example are extending the tax to new assets and Italy is improving the cadastre systems and land registries (OECD, 2022^[4]).

117. **Subnational tax autonomy varies substantially across Adherents.** The degree of tax autonomy is largely determined by the governance system: in federal countries tax autonomy is particularly high whereas in unitary countries the autonomy reduces. In Australia, Switzerland, and the United States, for example, state-level governments have full autonomy over 100% of their tax revenue. In Belgium, Canada and Spain – quasi federal countries—state level revenue is qualified as fully autonomous (OECD, 2021^[49]). In 2022, the share of grants and subsidies in subnational government revenue in federal countries is 47.8%, while it is higher in unitary countries (52.7%) (OECD, 2024^[24]).

118. **Recent OECD evidence also shows that fiscal rules are increasingly being used at state and local levels to promote fiscal sustainability in Adherent countries** (Biase and Dougherty, 2022^[50]). Fiscal rules are crucial to prevent subnational governments from engaging in excessive or unsustainable spending, encouraging prudent investment decisions, and aligning local spending with national fiscal objectives (Box 3.12). This is why a vast majority of countries have some form of fiscal rules, most of them restricting borrowing to capital investment in the form of balanced budget requirement or ‘golden rules’. Other prudential rules on debt stock and services are also frequent, including the need for prior approval to borrow from a supervisory authority, caps on outstanding debt and debt service, limitations for new annual borrowing, bans on foreign debt, and bans on bond financing. Other forms include defining conditionalities attached to borrowing or restricting the use of debt to large cities (OECD, 2021^[40]).

Box 3.12. Develop a fiscal framework adapted to the investment objectives pursued: Examples of good practices

The Mexican Financial Discipline Law for Federal Entities and Municipalities

Mexico established in 2016 the Federal Financial Discipline Law for States and Municipalities. The law was created in the context that subnational debt had been growing considerably: between 2008 and 2013, the annual average growth rate of subnational debt was 14.5% ; and in 2015, 12 out of 32 states had debt levels higher or equal than states debt average. This legislative and regulatory framework aims to ensure sustainable public finances of state and municipal governments, promote greater transparency and accountability in subnational public finance, as well as help lower costs in contracting debt.

The law establishes the obligation for all states and municipalities to maintain sustainable budget balances. Although this obligation already existed, the Law additionally establishes that earmarked revenues must be accounted for at the end of each fiscal year.

The law also establishes clear rules and guidelines requiring subnational governments to go through a competitive process when contracting debt from financial institutions to ensure the lowest borrowing cost. They are also required to get the approval of amounts by local legislatures. This serves as a tool to facilitate responsible use of debt by states and municipalities and to strengthen their accountability and transparency. In relation to short-term debt obligations, the Law establishes the obligation of subnational governments to liquidate in the three months before the end of their administration, with the objective of delivering healthy finances to the next administration and avoiding the over-indebtedness.

The law also introduces measures to help lower costs in contracting subnational debt. The central government grants credit guarantees to subnational governments' debt issuance that subscribe to a financial discipline agreement through the secured debt mechanism. The credit guarantee intends to reduce the financing costs of those who subscribe to the agreement. Fourth, a quarterly traffic light "alert system" was established, through which the Federal Ministry for Finance and Public Credit (Secretaría de Hacienda y Crédito Público, SHCP) will evaluate debt levels for each state and establish borrowing limits depending on the classification received. States with sustainable debt can borrow up to 15% of their freely available income; those with an alert level can borrow up to 5% of their freely available income; and states with high debt level are not able to borrow. Such a system places greater constraints on previously highly indebted states rather than adopting a "one-size-fits-all" cap on all subnational governments.

Finally, as a measure of transparency and combatting corruption, a single public registry (registro publico único, RPU) was created. This registry contains details of all financial obligations of every state and municipality, including credit contracts through Public-Private Partnerships as well as factoring contracts (i.e. selling outstanding invoices to a third parties in exchange for upfront cash). Through this registry, subnational governments must publish their public resources and debt management, thus creating a unique record of subnational public debt. The SHCP could also benefit from the RPU to obtain information on subnational government finances through an electronic system that can be accessed using the Electronic Signature issued by the Tax Administration System (SAT). In addition, subnational governments also report the information required by the "alert system" through the RPU on a quarterly basis. In doing so, subnational officials may carry out these procedures from their headquarters, rather than travelling to the capital. The RPU also allows to show real time data, which facilitates the alignment of financial discipline objectives.

Source: OECD (2022), *G20-OECD Policy Toolkit to Mobilise Funding and Financing for Inclusive and Quality Infrastructure Investment in Regions and Cities*, OECD Publishing, Paris, <https://doi.org/10.1787/99169ac9-en>.

The New Zealand Infrastructure Funding and Financing Act of 2020

In August 2020, New Zealand's government passed the Infrastructure Funding and Financing Act (IFF) 2020, establishing a new funding and financing model with a view to encourage private capital to support the provision of new infrastructure for housing and urban development. Through Special Purpose Vehicles (SPVs), local councils, Māori (comprised of entities representing different communities of indigenous peoples known also as Māori) and developers can collaborate to deliver infrastructure that is above the council's debt constraints or from charging high upfront costs to developers. SPVs raise finance for local infrastructure and then repay that finance through a levy charged to those who benefit from the new infrastructure, usually future homeowners. This infrastructure levy is paid annually for up to 50 years. Four different types of infrastructure can be funded by SPVs: water infrastructure (i.e., storm water, drinking water and wastewater), transport infrastructure, community facilities, and environmental infrastructure for risk management and environmental restoration. The proposer (a local council, developer or any other person) must develop a levy proposal with information on the future levy and the SPV.

Throughout the process, optional assistance is provided by Crown Infrastructure Partners (CIPs), a Crown-owned company that assesses the feasibility of projects and helps in developing levy proposals. SPVs obtain their powers to charge a levy only once they have been authorised on a case-by case basis following a recommendation of the Minister responsible for the Act. This levy is based on the future cost of the project, which must be agreed upon by the CIPs and the local council which can present a challenge. Apart from its affordability and efficiency, the SPV is only considered when a responsible infrastructure authority is deemed to meet the necessary operational and maintenance costs of the infrastructure. Once authorised, the SPV remains in charge during the financing and construction phases of the project, and when completed, the infrastructure is transferred to the corresponding local authorities, who ensure its operation and maintenance.

In June 2021, the national government established the Infrastructure Acceleration Fund to encourage critical infrastructure projects. This Fund requires co-funding, which could come from the SPVs. However, no SPV has yet come to fruition. It is thus recommended that barriers to SPV deals be identified and removed, and that city councils be further incentivised to accommodating growth, for instance by sharing local Goods and Services Tax receipts.

Source: OECD (2022), *G20-OECD Policy Toolkit to Mobilise Funding and Financing for Inclusive and Quality Infrastructure Investment in Regions and Cities*, OECD Publishing, Paris, <https://doi.org/10.1787/99169ac9-en>.

Principle 10: Require sound and transparent financial management at all levels of government**Principle 10: Require sound and transparent financial management at all levels of government**

Adopt good practices for budgeting and financial accountability such as accurately costing public investment plans, reflecting them in budget strategies and allocation processes, fitting them into a medium-term budget framework and duly considering long-term operating and maintenance costs. This includes proper budgetary treatment of PPPs, local public enterprises, and any associated contingent liabilities.

Why is it important?

119. **Transparent and sound fiscal frameworks need to be accompanied with adequate financial management at all levels of government.** This can ensure that public funds are allocated efficiently, and that investments are sustainable over the long term. Financial management plays a critical role in translating fiscal framework into actionable, responsible decisions that drive sustainable and inclusive regional development through strategic investment. Budgeting and planning need to be aligned to ensure that sufficient resources are allocated for both immediate capital needs and long-term operational and maintenance costs. Effective financial management also demands rigorous monitoring and oversight throughout the lifecycle of investment projects to minimise risks like cost overruns, delays, or mismanagement. This involves setting up robust tracking mechanisms to monitor expenditures, assess project performance, and allow for real-time adjustments to prevent cost overruns, delays, or other inefficiencies (see Principle 8). In addition, by ensuring transparent financial management and making project information publicly accessible, governments are open to greater public scrutiny. This transparency not only reduces opportunities for corrupt practices but also fosters public trust in government institutions by demonstrating accountability and integrity in the use of public funds.

120. **Effective financial management means that governments plan, allocate, execute, and monitor their budgets in a way that aligns with their strategic investment priorities.** This process begins with proper planning and budgeting, where governments should accurately assess the short- and long-term costs of investments, considering not only the initial capital expenditures but also long-term operating and maintenance costs. By factoring these into financial planning, governments can ensure that the investments they choose are sustainable over time. This is particularly relevant for large-scale projects that require phased implementation and long-term funding commitments. Integrating investments into a medium- or long-term budget framework allows governments to look beyond the immediate fiscal year, plan investments according to regional development policy objectives and align with global priorities such as climate and environmental objectives.

121. **Proper budget execution and monitoring are also crucial for ensuring that investment programmes are carried out effectively.** Governments need to track expenditure in real-time and assess whether projects are staying within budget and on schedule. This requires robust financial management systems that provide accurate data and performance indicators, enabling governments to make informed adjustments. Continuous monitoring helps prevent cost overruns, delays, or project failures, ensuring that public funds are used efficiently and that the intended outcomes of the investments are achieved. Accurate costing, medium-term planning, linking regional development plans and investments, and diligent monitoring, can strengthen subnational government's ability to prioritise and execute its investment programme in a way that maximises both short- and long-term benefits for its territory.

122. **Sound and transparent financial management is also critical in preventing waste, corruption, or misallocation of funds.** When financial processes are open and clear, citizens, stakeholders, and oversight bodies can see how public funds are being used and assess whether investment decisions are delivering expected results. This not only promotes accountability but also reduces mismanagement or corruption, as transparent systems make it harder to

hide inefficiencies or misuse of funds. When financial processes are opaque, it becomes easier for funds to be diverted, misused, or wasted without detection. On the contrary, transparent financial management facilitates public scrutiny and oversight and encourages governments to be more diligent in their financial practices, ensuring that investments are carried out efficiently and effectively. These practices not only help building trust but also fostering a culture of fiscal discipline, efficiency, and integrity in public investments.

Green budgeting to foster financial accountability

123. Adherents – and specially regions and municipalities - are increasingly adopting green budgeting practices to align budgeting with the climate and environmental agenda at the national and subnational levels.

Green budgeting helps governments systematically assess the environmental impact of public expenditures and revenue policies, ensuring that budget decisions contribute to climate resilience, biodiversity conservation, and reduced carbon emissions. By adopting green budgeting frameworks, both national and subnational authorities can more effectively prioritise projects and initiatives that support long-term environmental objectives, thereby enhancing transparency and accountability in how public funds are used to address climate change and environmental challenges. A recent exercise conducted by the OECD shows that (1) the number of subnational governments implementing green budgeting practices has grown steadily over the last years, and (2) subnational green budgeting initiatives in OECD Member countries are very diverse, encompassing a variety of practices including carbon budgets, ecoBudgets, climate budgets, environmental and climate impact analyses, green budget tagging, and more (OECD, 2022^[51]). This diversity reflects the differences in the scale and type of climate and environmental challenges faced by different subnational governments depending on their location (e.g. urban vs rural, coastal vs mountainous areas, etc.) and characteristics (e.g. demographic and geographic size). It is also due to very diverse decentralisation frameworks.

124. Regional governments, as well as large and small municipalities, are increasingly adopting green budgeting practices. Regional governments, given their size and responsibilities are prone to adopt green budgeting practices and some good examples have been found in France with the cases of the regions of Brittany, Grand-Est, and Occitanie, where they assess the climate adaptation and mitigation impact of their budgets. Some interesting practices at the regional level are also found in Sardinia in Italy and Andalusia in Spain (Box 3.13). At the local level, there are also interesting practices, notably in France, the country where green budgeting is the most widespread. The city and metropolis of Lille, for example, analyse the impact of their budgets on air quality in addition to climate change adaptation and mitigation. The city of Paris also assesses the climate mitigation impact of their budgets. Smaller cities such as Clermont-Ferrand have also moved in this direction (OECD, 2022^[51]).

Box 3.13. Financial management: Examples of good practices

Generalisation of the single financial account and the harmonized budgetary and accounting framework in the Finance Act for 2024 in France

In France, the local budgetary and accounting framework lays down in law the principles of annuality and approval by local deliberative assemblies of provisional budgets and local accounts, as well as of principle of budgetary balance and sincerity.

Building on this foundation, France engaged in a process of harmonisation of the budgetary and accounting framework from 2019 financial year. This was implemented through an experiment opened (Article 242 of the Finance Act for 2019) over the period 2020-2023, in which more than 4,500 local public entities had taken part. An assessment of this experiment was subsequently submitted by the Government to Parliament, before the Article 205 of the Finance Act for 2024 generalised the single financial account.

The single financial account harmonised local account reporting and the local budgetary and accounting framework. General and budgetary accounting rules are harmonised for local authorities and their establishments,

while at the same time being adapted to the specific characteristics of each category of local authority, particularly for the smallest entities.

In line with these objectives, steps are also being taken to improve the quality of local accounts. In addition, the M57 budgetary and accounting framework specifies the scope of the standards applicable to entities wishing to undergo an accounts certification process.

Source: OECD (2024), Questionnaire on Recommendation on Effective Public Investment Across Levels of Government

Green-budgeting in Andalusia, Spain

Andalusia was the first Spanish autonomous region to implement mandatory green budgeting through regional legislation in 2018. This initiative forms part of a broader strategy to incorporate environmental considerations into all aspects of regional strategic planning and budgeting. Andalusia's approach is grounded in its experience with gender budgeting, which dates to 2004. The region aims to connect gender and green budgeting, recognising that climate change affects men and women differently and requires a nuanced response to ensure an equitable transition. Key elements of Andalusia's green budgeting framework include climate impact assessments, green budget tagging, and specific environmental tax reforms, as outlined in its 2018 climate change law.

A core feature of Andalusia's green budgeting practice is the use of climate indicators and impact assessments to track the environmental outcomes of budgetary measures. The 2018 climate change law mandates that budgetary climate indicators be developed to assess the impact of budget programs on climate adaptation and mitigation. By 2021, Andalusia had introduced over 60 such indicators in its budget. Additionally, the law requires a climate impact assessment for regional and local plans, which involves analysing the vulnerability, mitigation steps, and alignment with the Andalusian Climate Action Plan. This assessment framework helps ensure that planning and budgetary decisions consider the region's clean energy transition goals and include analysis on energy consumption and greenhouse gas emissions.

Furthermore, Andalusia has established a EUR 1 million Green Budget Fund to support projects that incorporate green priorities within the budget framework, a unique initiative among OECD and EU subnational governments practicing green budgeting. The Fund supports projects focusing on environmental sustainability, climate impact assessments, and capacity building for public officials. The first project funded through this initiative explored ways to integrate gender and green budgeting. In addition, Andalusia is working with the European Commission's DG REFORM on further green budgeting initiatives, such as a Sustainable Finance Framework for issuing green bonds and an environmental tax reform in collaboration with the OECD, targeting areas like climate change, air and water pollution, and the circular economy.

Source: OECD (2022), *Aligning Regional and Local Budgets with Green Objectives: Subnational Green Budgeting Practices and Guidelines*, OECD Multi-level Governance Studies, OECD Publishing, Paris, <https://doi.org/10.1787/93b4036f-en>

Regulatory Decree N°1082 of the National Planning Administrative Sector of 2015 in Colombia

Article 2.2.2.6.2.2 of the Decree defines that all public investment projects must follow a standard methodology: "In order to unify the formulation process of public investment projects that are part of the Single Bank of Public Investment Projects, the entities and actors that manage such projects must use the Adjusted General Methodology (MGA) or the one that replaces it, in accordance with the guidelines issued by the National Planning Department (DNP)".

The MGA is a method for the formulation and structuring of public investment projects, developed by the DNP. The MGA is a relevant tool for the development of public investment projects in Colombia, as it ensures that projects are efficient, effective and aligned with the objectives of the DNP. This methodology is based on four principles:

- Strategic planning: projects must be aligned with the objectives of the DNP.
- Participation: the actors involved in the project must be consulted to ensure its viability.

- Efficiency: public resources must be used efficiently and effectively.
- Transparency: the project formulation and structuring process must be transparent and participatory.

Source: National Planning Department (2024), Adjusted General Methodology (AGM), <https://www.dnp.gov.co/LaEntidad/subdireccion-general-inversiones-seguimiento-evaluacion/direccion-proyectos-informacion-para-inversion-publica/Paginas/metodologia-general-ajustada-mga.aspx>

Principle 11: Promote transparency and strategic use of public procurement at all levels of government

Principle 11: Promote transparency and strategic use of public procurement at all levels of government

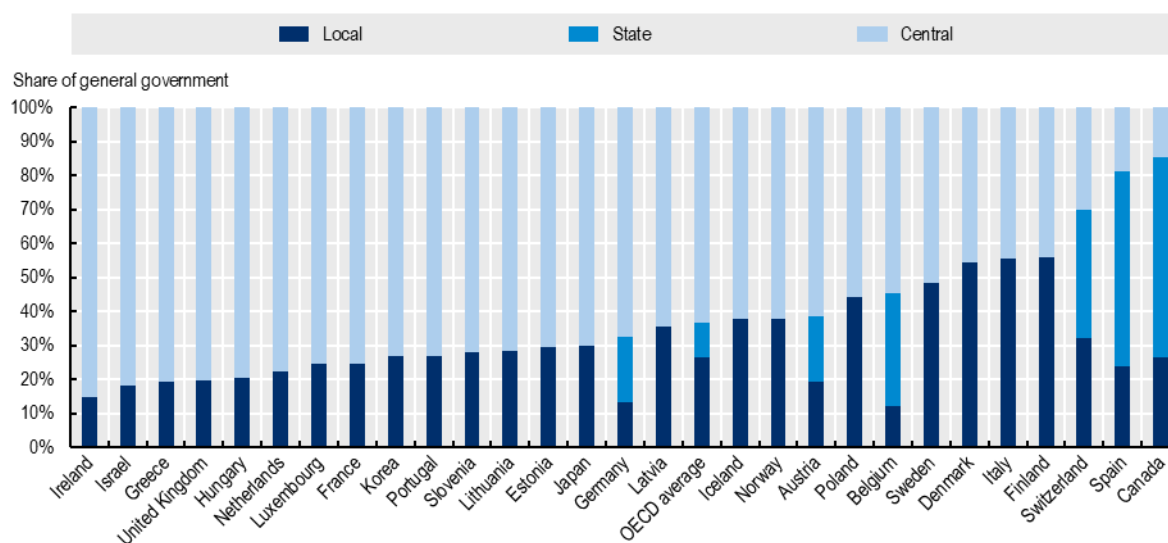
- i. **Maximise transparency at all stages of the procurement cycle, promote the professionalisation of the procurement function, and establish clear accountability and control mechanisms.** Procurement systems should be transparent, competitive, and monitored to ensure funds are used as intended, and effective at registering and addressing complaints. Governments should invest in ensuring adequate capacity, in particular at the sub-national level, by employing and training procurement professionals, using collaborative procurement mechanisms, and employing e-procurement tools.
- ii. **Use procurement to ensure effective public service delivery while pursuing strategic objectives at different levels of government.** To do so, the objectives of procurement should be clearly articulated and prioritised. These may be traditional value for money in the sense of price and quality, as well as wider governmental objectives such as sustainable development, innovation, and the development of small and medium enterprises (SMEs).

Why is it important?

125. **Ensuring transparency in the procurement process—from planning to contract award and execution—is equally important to reduce the risk of fraud, corruption, or inefficiencies.** Strategic public procurement is a cornerstone of efficient public investment and ensuring its transparency is also crucial to make sure that public resources are spent responsibly, reducing risks of fraud or inefficiencies. Leveraging procurement strategically allows national and subnational governments to advance environmental sustainability and social inclusion goals. Green or socially inclusive public procurement are tools that government can mobilise to achieve regional development objectives and reduce regional disparities while addressing current global challenges.

126. **Promoting efficiency and transparency in public procurement helps ensure that public resources are spent responsibly and equitably, reducing opportunities for corruption and misuse of funds.** Adherents dedicate a large part of their resources to public procurement – it accounts for approximately 13% of GDP across OECD Member countries (OECD, 2023^[52]) and subnational governments account for 36% of public procurement on average (Figure 3.25). At the same time, public procurement processes at the national and subnational levels confront important risks and are particularly vulnerable to waste, fraud and corruption. These risks are exacerbated by the complex nature of procurement, which often involves multiple stakeholders, large sums of money, and lengthy procedures.

Figure 3.25. Public procurement at the national and subnational levels as % of general government, 2022.



Source: OECD National Accounts, Annual Government Non-Financial Accounts and Key Indicators (Revenue)

127. **Corruption in procurement can lead to inflated costs, poor-quality goods or services, and projects that fail to meet the actual needs of the population.** Transparent procurement processes are thus necessary to mitigate these risks. Transparency ensures that all stages of the procurement process are visible to the public, oversight bodies, and competing suppliers, making sure that decisions are based on objective criteria rather than personal interests or political considerations. This in turn, enhances accountability and trust.

128. **Efficient public procurement also means coordinated and aligned practices.** With harmonised procurement processes, all levels of government work in sync, sharing information, aligning priorities, and avoiding duplicative efforts. It is also an opportunity to detect where and when governments can coordinate—vertically and horizontally—to pool resources, reduce costs through joint purchasing, and achieve greater economies of scale. Making use of digital tools, i.e. adopting e-procurement above and below thresholds, can also help making the procurement process more efficient and accessible, including to small suppliers. A well-designed e-procurement system can reduce administrative burden at all levels of government through embedded interoperability links to other government platforms. This can create a more efficient, coherent system of public investment where the benefits of procurement decisions can positively impact all regions and sectors.

129. **Public procurement is also used strategically to contribute to broader regional development policy and investment objectives.** Representing such an important activity, national and subnational governments often seek to leverage public procurement processes to support social, economic, and environmental goals. By embedding criteria such as sustainability, local content requirements, or social inclusion into procurement policies, governments aim to stimulate local economic development, promote green technologies, and address territorial inequalities. This strategic approach seeks to meet immediate infrastructure and services delivery needs, while also contributing to regional development policy goals. Adopting green public procurement at the subnational level, for example, involves using the purchasing power of subnational governments to choose goods, services and works with a reduced environmental impact to contribute towards sustainability goals. In this sense, green public procurement aims to help align purchasing decisions with wider subnational government objectives (OECD, 2022^[46]).

130. **To pursue transparency and strategic use of public procurement, national and subnational governments need to work together in building the appropriate capacities.** Effective procurement requires more than just sound policies and legal frameworks; it also depends on the skills, knowledge, and expertise of the officials

responsible for managing the procurement process at all levels. The lack of expertise and know-how – which may be particularly critical at the subnational level - may compromise the integrity of the investment process, deter investors and compromise the achievement of policy objectives. To align procurement practices with regional development policy objectives, for example, subnational government officials need to have a deep understanding of how to incorporate sustainability criteria, social impact assessments, or innovation incentives into procurement contracts. National governments play a critical role in building subnational capacities by providing guidance, standardised tools, and resources that subnational governments can adapt to their specific needs.

Integrity and strategic use of public procurement

131. **Adherents are actively working to promote strategic, transparent and efficient public procurement systems.** Adherents widely use mechanisms to ensure open, neutral and transparent procurement processes, and identify proposals offering the best value for money (Ruiz Rivadeneira, Dekyi and Cruz, 2023^[39]). These combine financial and qualitative criteria to select proposals offering the best value for money.

132. **Most Adherents are seeking to strategically use green public procurement.** The adoption of green public procurement strategies has substantially increased since the definition of Agenda 2030 and the Sustainable Development Goals (OECD, 2023^[53]). In 2022, 94% of OECD Member countries covered, had an active national green public procurement policy or framework; two thirds of these countries declared regularly updating their green public procurement framework to target high-impact sectors and to move towards cleaner products more rapidly. Interestingly, 14 OECD Member countries have set mandatory requirements to use green public procurement – a requirement that in many cases is also true for subnational governments. Italy, for example, has defined the Minimum Environment Criteria which are mandatory for contracting authorities at all levels of government, irrespective of the value of the tender (OECD, 2023^[53]). Others have opted for including social inclusion criteria - this is the case of Valladolid in Spain where the municipal government enacted an ordinance to set out criteria for public procurement to be more socially inclusive and environmentally sustainable.

133. **Some Adherents are seeking to enhance the efficiency and transparency of public procurement processes.** At the national level, in 2022, 14 out of 34 Adherents used a digital platform linked to the electronic procurement system. In Korea, the On-line E-Procurement System (KONEPS) – implemented in 2022 – is an integrated e-procurement system for national and subnational governments. This system also allows for monitoring the implementation of green public procurement across 30 000 procuring entities (OECD, 2023^[53]).

Important efforts to improve public procurement capacity at the subnational level

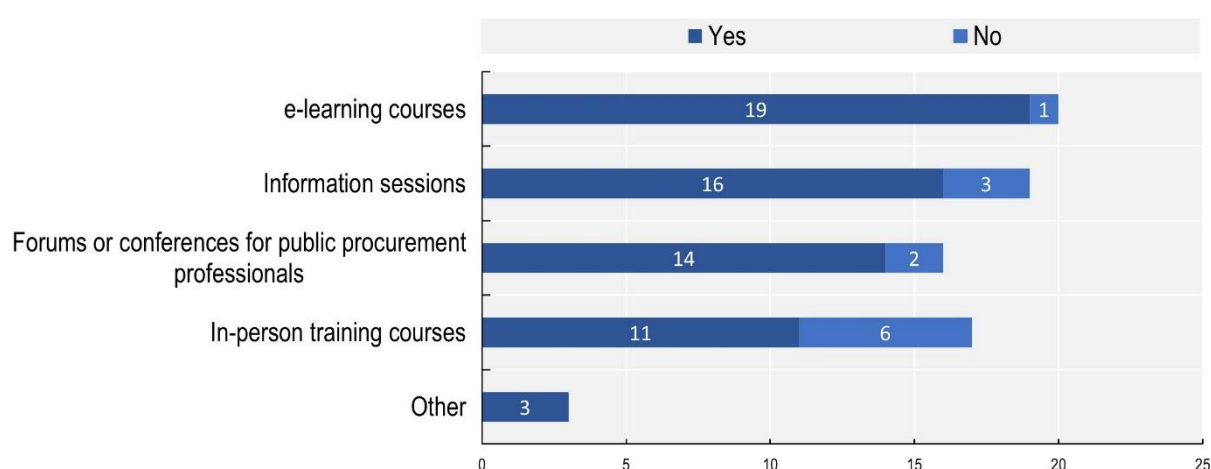
134. **Many Adherents are seeking to strengthen public procurement capacities.** The lack of capacities and the difficulty to effectively train and professionalise the procurement workforce is a common challenge for Adherents. Already in 2019, a vast majority of subnational governments in OECD Member countries – almost 90% - considered that lengthy procurement procedures were a major challenge for infrastructure investment. This challenge was also highlighted by the OECD in the Reforming Public Procurement report, which analyses progress in implementing the 2015 OECD *Recommendation on Public Procurement* [OECD/LEGAL/0411] (OECD, 2019^[54]). To face it, many Adherents are increasingly moving towards professionalisation strategies that are based on predefined competency frameworks, such as the training strategy put in place by the French State Purchasing Directorate (*Direction des Achats de l'État*, DAE) or the professionalisation strategy based on a certification framework in Lithuania (OECD, 2019^[54]). In Hungary, the National University of Public Service operates a continuing training programme for public servants, called Probono, within which courses specialised on public procurement are available (Box 3.14). In Latvia, there are also training courses for procurement and e-learning tools on the Procurement Monitoring Bureau website.

135. **Most Adherents have opted for complementary training courses to reinforce public procurement capacities at the subnational level.** The provision of training and guidance by the national level is vital to ensure that subnational public procurement is smooth and efficient. In the 2024 survey, out of the 20 Adherents that responded to this question, 19 declared having e-learning courses on public procurement laws, processes and/or guidelines, while 16 organise information sessions, 14 set-up forums or conferences for public procurement professionals, and a lower

number (11) provide in-person training course (Figure 3.26). Some Adherents such as Canada, Estonia, Ireland, Norway, Slovenia, or Sweden declared implementing all the four strategies for public procurement capacities. Some Adherents (16) have also declared having standard e-procurement tools that can be used by subnational governments or national guidelines targeting subnational governments that detail procurement processes and good practices (13). A relatively lower number of Adherents (12) declare having framework agreements for contracting services available for subnational governments and only 10 declared having national procurement units that can provide support to subnational governments.

Figure 3.26. National government training for subnational procurement professionals on public procurement laws, processes and/or guidelines

Please outline the tools and/ or mechanism(s) that are used at a national level to reinforce subnational procurement capacity (Question 21)



Note: Total respondents: 23

Source: OECD 2024 Survey on the Implementation of the Recommendation of Effective Public Investment Across Levels of Government

136. **Interesting examples of training courses for subnational governments exist across most Adherents.** In Chile, for example, there are online training courses provided by *ChileCompra*, the institution that manages the online platform for purchasing for buyers and providers. Colombia has framework agreements and Instruments to aggregate demand that are available for municipalities and departments; they designed, for example, an instrument to aggregate demand specifically for Nariño located in the southwest of Colombia. In parallel, the National Public Procurement Agency (*Colombia Compra Eficiente*) has designed guides and manuals to promote good practices in public procurement and contracting, enabling public officials of local and national entities to carry out the processes with greater ease and legal certainty. Another example is Spain that has implemented a series of capacity building initiatives for procurement. The National Institute for Public Administration (INAP) and the Institute for Fiscal Studies (IEF), for example, provide open courses for local and regional governments on the public procurement regime implemented in 2017 or the public sector procurement platform (PLACSP); in the PLACSP, subnational governments can also access tutorials on how to use public sector procurement platform services and guides to electronic tendering services; subnational governments can also access framework agreements the State System of Centralized Procurement.

137. **In some cases, these capacity building initiatives are taken by subnational governments themselves.** This is more frequent in federal countries, but some examples also exist in unitary countries. In Poland, for example, the Krakow Metropolis Association set up a regular working group for municipal employees responsible for public procurement to share experiences and access external expert's support. This working group also meets on a monthly basis to discuss issues related to regulatory changes or advanced procurement practices. These meetings also aim at

building a common approach to specific issues, such as: criteria for evaluating offers, conditions for contractors' participation, dividing the procurement into lots, competition rules, etc (OECD, 2021^[55]). The City Hall of *Międzyrzec Podlaski* also provide some training to contracting authorities.

Box 3.14. Transparent and strategic use of procurement: Examples of good practices

The National Public Procurement Agency - Colombia Compra Eficiente (ANCP - CCE)

The National Public Procurement Agency - Colombia Compra Eficiente (ANCP - CCE) is the governing body for public procurement. Its objective is to develop and promote public policies and tools for state procurement and contracting processes, in order to generate greater efficiency, transparency and optimisation of state resources.

The Agency has structured a series of virtual courses on its E-Learning platform aimed at public officials and the general community, so that they acquire optimal knowledge about the electronic system of state procurement, sustainable public procurement and the strategic sourcing model for public procurement.

Moreover, it has designed a strategy called "Roadmap for Democratisation of Public Procurement" which aims to train suppliers, state officials and the community in general, to strengthen capacities on the procurement system and public procurement in the different departments and municipalities of the country, providing tools and regulatory, technological and technical instruments.

The Agency has promoted academic and general interest spaces where topics related to Public Procurement and the State Procurement System are addressed, such as international forums and participation in regional spaces where related topics are discussed.

It has also designed guides and manuals that aim to promote good practices in public procurement and contracting, enabling public officials of local and national entities to carry out the processes with greater ease and legal certainty, having clarity in the concepts and regulations on procurement processes. Additionally, a large number of standard documents have been structured, which are mandatory for public entities and are intended to standardise procurement in specific sectors.

Source : National Public Procurement Agency (2024), Colombia Compra Eficiente, <https://www.colombiacompra.gov.co/>

The National University of Public Service in Hungary

The National University of Public Service mentors and orients new generations of creative, educated, community-building, ambitious young people who want to learn, respect national values, solidary and cooperative, who are also responsible for the future, in order to build Hungary and Europe with their best knowledge.

The university provides support, encouragement and knowledge to the faculty of officials and officers who undertake the service of the Hungarian nation above all, as the vocation of the homeland. Training courses are provided regularly to (independent accredited or state) public procurement professionals working in any sectors or levels of public administration or the market.

The university organises and publishes the programme of training courses aiming at strengthening transparency and integrity. Particularly, the University operates a continuing training programme for public servants, called "Probono", within which courses specialised on public procurement are available.

Source: National University of Public Service (2024), Probono Magazin, <https://probono.uni-nke.hu/magazin/#/>

The Dutch Public Procurement Expertise Centre, PIANOo

Since 2005, the Netherlands introduced the Dutch Public Procurement Expertise Centre, PIANOo, operated under the Ministry of Economic Affairs and Climate to professionalise public buyers. The main purpose of PIANOo is to centralise information on public procurement and facilitate the exchange of knowledge and expertise among procurement practitioners. PIANOo is recognised as the primary website for procurement in the public sector,

gathering reliable and up-to-date information. Among the different information services offered by PIANOo, there is a biweekly procurement e-newsletter, a weekly legal review and summary of case law, model templates and online tools. On average, the PIANOo website receives 50 000 visits with 13 500 downloaded contents per month. In addition, the platform provides direct access to the PIANOo forum, a community of 1 600 procurement professionals that can exchange directly on procurement matters.

Source: OECD (2021), *Better Governance, Planning and Services in Local Self-Governments in Poland*, OECD Publishing, Paris, <https://doi.org/10.1787/550c3ff5-en>.

The Office of Government Procurement (OGP) in Ireland

The Office of Government Procurement (OGP) plays a central role in helping the State to achieve value for money when buying goods and services. It operates as a Division office of the Department of Public Expenditure, NDP Delivery and Reform (DPENDR). It has 200 staff in five locations across the country, Dublin, Limerick, Cork, Sligo and Meath.

The OGP is responsible for sourcing common products and services for the public service, from pens and paper to Garda uniforms and laptops. Its sourcing teams offer an extensive range of commercial agreements to help clients buy what they need when they need it. This saves them time and money. The OGP Client Conference takes place every 2 years and is available to all levels of Government.

The Office also supports complex one-off projects like the roll-out of the new passports service. For this service, it played a key role in addressing the backlog for passports by supporting the procurement of a new passport issuing and processing system.

The OGP facilitates quarterly Information Session for procurement officers to support understanding of the Public Procurement Policy Framework at all levels of Government. Also, it facilitated in-person training and e-learning courses to support learning on the Capital Works Management Framework at all levels of Government.

Source: OECD (2024), Questionnaire on Recommendation on Effective Public Investment Across Levels of Government ; Office of Government Procurement (2024), The Office of Government Procurement (OGP), <https://www.gov.ie/en/organisation/office-of-government-procurement/>

Online procurement system in Korea

The ON-line E-Procurement System (KONEPS) in Korea is an integrated e-procurement system for national and subnational governments, which contributes substantially to the efficiency, effectiveness and integrity of public procurement in Korea. It includes tools that reduce burden on suppliers by eliminating the need to submit duplicative certificates and other records, helping to ensure that the extent and complexity of information required in tender documentation and the time allotted for suppliers to respond is proportionate to the size and complexity of the procurement. Companies that previously had to register individually for each public procurement bidding could now register only once with the Public Procurement Service and participate in all biddings from central government entities, local government entities, and public enterprises.

Through the shared use of government data through data interchange between KONEPS and other database owned by public authorities, KONEPS enabled the elimination of paper submission of business registration certificate and tax payment certificate. For public construction tenders, bidders become no longer required to submit certificates on past experiences, as such information was electronically collected through data interchange with construction industry associations. According to a study conducted by Hanyang University in 2009, annual transaction cost savings enabled through KONEPS amounts to KRW 8 trillion. Of this, the saving of KRW 1.4 trillion occurs in the public sector, from reduced labour and process time due to the streamlined and digitalised work process. KRW 6.6 trillion was saved in the private sector, mainly from reduced costs for visiting public entities and obtaining required certificates and proof documents. Reduced labour and time from streamlined and standardised process also contributed to the savings.

Source: OECD (2024), Infrastructure Toolkit – Korea, https://infrastructure-toolkit.oecd.org/wp-content/uploads/Korea_KONEPS.pdf

Social and green procurement in Valladolid, Spain

In 2018, the Municipality of Valladolid enacted the Municipal Ordinance 1/2018 to Promote Social Efficient Procurement: Strategic, Honest and Sustainable. This ordinance represents an attempt to design a new public procurement system that simplifies administrative procedures and uses public procurement practices more strategically to promote access to public procurements by SMEs and social economy enterprises. Importantly, the ordinance lays out several criteria for public procurement calls to be more socially inclusive and environmentally sustainable. For example, the ordinance requires that the subject and pricing of municipal contracts consider life-cycle criteria or the most innovative, efficient and sustainable solutions. The ordinance also bans the acquisition of goods and services produced without guarantees of compliance with international conventions on environmental matters. In addition, the municipality has incorporated environmental standards into the tenders to offer public land for private investment. In the assessment of contracts, the awarding criteria refer to the circular economy explicitly, in terms of use of raw materials, sustainable products, life cycle analysis, useful life, energy efficiency, less maintenance and more sustainable packaging.

The ordinance has made it possible to increase access to public procurement calls for SMEs and social economy enterprises, as well as to foster social inclusion and environmental sustainability. In 2019, the number of contracted SMEs in public procurement procedures went up to 81% of all awarded bidders, i.e. 51% of the municipality's procurement budget. Between 8% and 10% of all contracts are reserved to sheltered workshops (composed by law of at least 70% of people with disabilities) as well as to work integration enterprises. As for environmental outcomes, the ordinance is expected to reduce air pollution, prioritise the use of recycled materials, or favour the installation of water and heating systems with lower energy consumption.

Source: OECD (2022), *G20-OECD Policy Toolkit to Mobilise Funding and Financing for Inclusive and Quality Infrastructure Investment in Regions and Cities*, OECD Publishing, Paris, <https://doi.org/10.1787/99169ac9-en>.

Principle 12: Strive for quality and consistency in regulatory systems across levels of government

Principle 12: Strive for quality and consistency in regulatory systems across levels of government

Pursue high-quality and coherent regulation across levels of government by evaluating the regulatory framework when establishing investment priorities and programmes. Use co-ordination mechanisms to develop coherent regulation across sectors and levels of government, ensure consistency in application, and avoid duplication. National governments should regularly review the stock of regulation and assess costs and benefits of new regulations, taking into account the costs of compliance for sub-national governments. All levels of government should be aware of and seek to minimise the administrative burden of government formalities for a typical public investment project.

Why is it important?

138. **Striving for quality and consistency in regulatory systems across all levels of government can help in minimising administrative burden and ensure that investments address specific regional needs.** When the rules governing public investment projects are clear, consistent, and applied uniformly across national, regional, and local levels, it enhances investor confidence by reducing uncertainties and lowering perceived risks. This is particularly

important for large-scale infrastructure or development projects that often involve multiple stakeholders and long timelines. A simplified and consistent regulatory framework provides local authorities with the flexibility to adjust investment plans to reflect the specific economic, social, or environmental conditions of their communities, without being hampered by overly rigid national rules. Clear and coherent regulatory system also promote accountability by ensuring that everyone follows the same standards, regardless of their location or the size of their investment.

139. **Achieving high-quality and consistent regulations across all levels of government is essential for avoiding administrative burdens, contradictory norms, or duplication of requirements.** When regulations are streamlined and coherent, they facilitate faster and smoother implementation of investment projects. In addition to improving efficiency, a consistent regulatory framework builds investor confidence – which is particularly relevant for large investments. When the regulatory landscape is clear and consistent across government levels, investors have a better understanding of the rules and processes they need to follow, which reduces uncertainty and perceived risks. Regulatory consistency also enhances oversight and accountability. When regulations are coherent, it is harder to find regulatory loopholes or inconsistencies and with this, national and subnational governments can ensure that public funds are used appropriately and that investments outcomes are closely aligned with regional development policy objectives. Furthermore, clear and predictable regulations reduce opportunities for corruption or regulatory arbitrage, which often arises in fragmented systems where different standards apply across jurisdictions.

140. **When rules are simpler and more coherent, governments can better adapt investments to local circumstances and development needs.** Complex and rigid regulations often impose one-size-fits-all solutions, which may not be appropriate for every region, especially when local conditions vary significantly. Simplified and stable rules, on the other hand, allow for a more context-sensitive approach to project design and implementation, enabling governments to tailor investments to the economic, social, and environmental realities of their local communities. This is particularly relevant in the context of global challenges and uncertainties. A public infrastructure project in a densely populated urban area will have vastly different requirements compared to a similar project in a rural region. In an urban setting, there may be a need for more sophisticated transportation solutions, such as metro systems or smart traffic management, whereas in rural areas, the focus might be on building basic road networks or improving access to essential service. Simplified regulations give local authorities the space to make decisions that address these specific needs without having to navigate overly complex approval processes that might otherwise delay or limit the scope of the projects.

141. **Greater regulatory adaptability is also necessary to enable all levels of government better respond to emerging challenges and opportunities.** Global challenges and more recurrent crisis impact regions differently. A region facing a sudden economic downturn might need to prioritise short-term job creation through public investment projects, while another area experiencing rapid population growth may need to focus on expanding housing and infrastructure. When rules are simpler and coherent, local governments can more easily adjust their investment decisions to reflect changing circumstances, ensuring that public resources are deployed where they are most needed at any given time. It allows for more agile decision-making, enabling governments to test innovative technologies without being bogged down by excessive regulatory compliance. Still, there is an important trade-off between flexibility and accountability. More flexible or adaptative rules may create some space for corruption, political intervention, or inefficient spending. More flexible regulations may also lead to inconsistencies across projects, making it challenging to enforce standards uniformly. In this sense, consistency is also key. Co-ordinated regulatory frameworks that consider local circumstances might better balance consistency and adaptability across regions. When regulatory frameworks are coherent, governments can also more effectively coordinate across sectors and regions, ensuring that investments are strategically aligned with broader development goals of sustainability and the reduction of regional inequalities.

142. **Subnational governments have a role to play to reduce regulatory burden and ensure greater regulatory coherence.** Subnational governments often have a key role in the investment cycle – they are often responsible for investment approvals (environmental, building permits, land approvals, etc.) that can create significant costs (and long waits) for public and private investment. Their role in the design of the regulatory framework cannot thus not be neglected. Subnational governments can, for example, make an early review and evaluation of the existing regulations

before the issuance of a new one through an ex-ante assessment of the costs and benefits of regulation. This can be done using tools such as Regulatory Impact Assessment, regulatory checklists, small business impact assessments, or deliberative committees. Subnational governments can also establish formal consultation processes such as informal inquiries, circulation of regulatory proposals for public comment, public notice and comment, hearings, and advisory bodies (OECD, 2019^[37]).

143. **To navigate regulatory frameworks, building capacity at the subnational level is fundamental.** The OECD Recommendation on Regulatory Policy and Governance [[OECD/LEGAL/0390](#)] adopted in 2012, invites governments to “foster the development of regulatory management capacity and performance at subnational levels of government.” Indeed, without the necessary technical, institutional, and human capacity, subnational governments may struggle to interpret, comply with, and adapt to often complex regulatory frameworks. Strengthening this capacity is critical for ensuring that local governments can effectively manage public investment and align it with broader regional development policy goals. This is crucial to avoid deepening regional inequalities as an excessive amount of legislation and guidance or the proliferation of multiple conditions often impact less prepared or regions lagging behind.

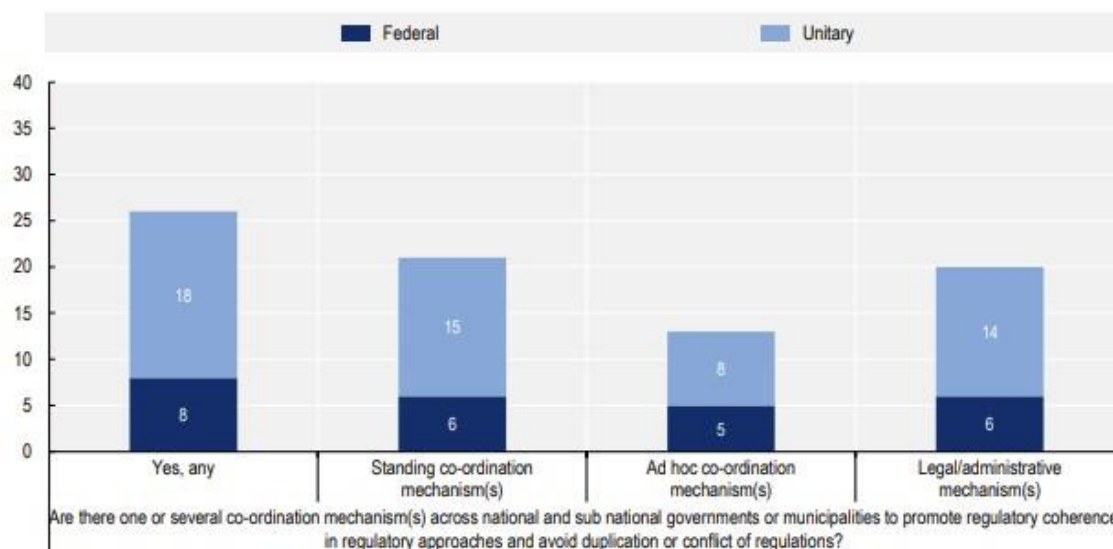
Navigating complex regulatory frameworks is a persistent challenge for subnational governments

144. **Regulatory hurdles remain one of the primary obstacles for municipalities’ infrastructure investment.** The 2022 EIB Municipalities Survey shows that while the lack of funding remains the most significant obstacle to municipal infrastructure investment, it is followed closely by challenges posed by the length of the regulatory process and regulatory uncertainty (EIB, 2023^[23]). In 2022, 42% of surveyed municipalities identify lengthy regulatory frameworks as a major obstacle and 39% as a minor obstacle. Regarding regulatory uncertainty, 80% of municipalities identify it as a major or minor obstacle for local investment (EIB, 2023^[23]). Interestingly, regulatory uncertainty and the length of the regulatory process to approve a project are among the most frequently mentioned obstacles by municipalities in all type of regions (less developed, transition, and more developed regions) (EIB, 2023^[23]). This scenario has not necessarily evolved since the 2019 Report. In 2019, a survey conducted by the OECD and the Committee of the Regions (CoR), also showed that the excessive administrative procedures and red tape was a striking concern for all types of municipalities. By that time, the EIB also found that 48% of municipalities declared that the time it takes for infrastructure projects to be approved was a major obstacle to their infrastructure investment activities. Much progress on this dimension is needed to advance on an enabling environment for subnational governments to invest (OECD, 2019^[37])

Regulatory coherence needs to be strengthened

145. **While regulatory co-ordination across levels of government has improved, it remains an important challenge for Adherents.** Back in 2017, OECD evidence showed that only 11 out of 32 Adherents had formal co-ordination mechanisms between national/federal and state/regional governments to co-ordinate regulations across levels of government. In less than half of the sampled Adherents national governments had to consult subnational entities prior to issuance of new regulations. The most recent evidence shows some progress on this dimension has been made. In 2021, all federal OECD Member countries confirmed they have some mechanisms to promote regulatory coherence across levels of government as well as 18 out of 30 unitary OECD Member countries.

146. **A range of mechanisms are used to support regulatory co-ordination.** As per the iREG indicators, the most frequent mechanism used to coordinate are standing co-ordination mechanisms or legal/ administrative ones. In Australia, for example, a National Cabinet has been established to replace the former Council of Australian Governments (COAG) as part of a new federal relations architecture. Ministerial Councils for key sectors are tasked with priorities, including reforms, and report to the Ministerial Council annually. Mexico established in 2018 The National System for Better Regulation, which among other things, creates the National Council on Better Regulation, the National Observatory on Better Regulation and the National Commission on Better Regulation (CONAMER). The National Observatory on Better Regulation is an instance of citizen participation in charge of monitoring and evaluating the performance of the better regulation policy at the subnational level (OECD, 2021^[22]). Other examples can be found in Denmark, Mexico, Norway, Slovak Republic and Slovenia (Box 3.15)

Figure 3.27. Mechanisms to promote regulatory coherence with subnational governments

Note: Data are based on 38 OECD Member countries. The countries considered as federal type are: Australia, Austria, Belgium, Canada, Germany, Mexico, Switzerland, and the United States. The EU is not included in the data.

Source: OECD Regulatory Policy Outlook 2021

147. While some Adherents are making important efforts to strengthen capacities on regulatory policy and management across levels of government, there is still room for improvement. Capacity building can take different forms, from co-ordination bodies that help sharing experiences and expertise on challenges and opportunities on regulatory policy management to bodies that promote the use of good regulatory practices and evidence-based policy making or stakeholder engagement mechanisms (OECD, 2021[22]). The iReg indicators shows that Adherents have still important opportunities to adopt any of these mechanisms and strengthen subnational capacities. Indeed, these indicators show that:

- Only 17 Adherents have established some platform for subnational governments to share experiences. The most frequent tools used to share experiences are workshops, seminars or conferences, followed by reports on good practices (OECD, 2021[22]). In Canada, for example, a Federal, Provincial and Territorial Working Group on Regulatory Reform acts as a forum to develop government's capacity to produce quality regulation and encourage regulatory co-operation across jurisdictions. Its work includes developing common regulatory principles, developing a consistent approach to regulatory impact analysis and sharing best practices. Another example is Mexico that publishes reports that benchmark regulatory management practices at the subnational level through the reports prepared by the National Observatory on Better Regulation (OECD, 2021[22]).
- Only 15 Adherents have in place bodies that promote the use of good regulatory practices and evidence-based policy making at the subnational level
- Only 14 Adherents have a specific mechanism between the national and subnational governments to communicate the views of local firms and citizens to inform the development of regulations.
- Only 4 Adherents report engaging in actions oriented to facilitate variation and experimentation in regulatory approaches at subnational level.

Box 3.15. Quality and consistency of regulatory systems: Examples of good practices

The Regulatory Ecosystem in Mexico

In 2000, Mexico passed a legislation establishing the Federal Commission for Regulatory Improvement (COFEMER), a federal oversight body tasked with ensuring effective regulations and a transparent rulemaking process. The law also required regulatory impact assessments (RIA) and public consultation on all draft federal regulations through a new online portal.

While at the beginning the law only considered federal legislation, in 2018 a new law transformed the COFEMER into the National Commission for Regulatory Improvement (CONAMER) with authority over regulatory measures at all levels of government, including state and municipal regulations. The online regulatory portal all draft regulatory proposals driven by the federal, state or local levels with their RIA. Thus, all draft regulatory proposals, independent from which level they are stemming from, need to go through an open and transparent public consultation process. Citizens have at least 30 days to submit comments on all documents published in the portal and the agency sponsoring the regulation is required to provide responses to all comments received.

Source :OGP (2020), Lessons from Reformers: Mexico Builds a Regulatory

Ecosystem, <https://www.opengovpartnership.org/stories/lessons-from-reformers-mexico-builds-a-regulatory-ecosystem/>

Mechanisms to ensure regulatory co-ordination in Norway

In Norway, several mechanisms are in place to ensure co-ordination among regulatory proposals affecting local governments, especially those associated with infrastructure and public investment projects. First, regular formal meetings are held between representatives from central and local government. At the political level, a process of four consultative meetings per year (since 2000) brings together key ministries of the central government with high-level representatives from the Norwegian Association of Local and Regional Authorities (Kommunenes Sentralforbund, KS). Similar meetings are held addressing issues pertaining specifically to county and municipality issues. Second – as part of the public consultation on draft laws and regulations – local government and local government organisations (KS) receive for comment those government draft regulations considered of special relevance for local governments. Third, and probably most importantly, continuous informal dialogue takes place between central and local government representatives at different levels, in many different forms, and on political as well as technical and professional issues. The arrangement consists of regular meetings at the top political level, involvement of the Norwegian Council of Ministers in cost calculations, and work on state legislative studies and bilateral cooperation agreements.

The Government and the Norwegian Council of Local Government plan three meeting points a year. One consultation meeting prior to the government's budget conference between the Ministry of Local Government and Modernisation, the Ministry of Finance and the Norwegian Council of Local Government, where the main topic is the framework for next year's municipal plans. Prior to the RNB/municipal proposal, there is a consultation meeting in which all ministries with relevant issues participate. In the autumn, there is a series of bilateral meetings with the various ministries.

Source: KS (2024), Regular consultation meetings with the government, <https://www.ks.no/om-ks/hva-gjor-vi/faste-moter-med-regjeringen/faste-konsultasjonsmoter-med-regjeringen/>; OECD (2019), Effective Public Investment Toolkit – Country Profiles, <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html>

The Danish Competition and Consumer Authority

The Danish Competition and Consumer Authority has provided municipalities with guidance notes covering interpretation of legislation, how to apply legislation in practice as well as exchange of best practices. The notes also contain guidance on public-private partnerships, whose use has increased in recent years. A working group on public procurement was set up in June 2013 to produce clearer, simpler and more flexible draft legislation on

public procurement and to reduce transaction costs faced by the participating parties in public procurement. Legislation on public procurement should be simplified as soon as possible, in line with the recommendations of the working group. In late 2013, the appeals procedure was made more efficient by increasing fees and shortening deadlines on when complaints are allowed to be filed.

Source: Danish Competition and Consumer Authority (2018), Consumer Advice and Complaints, <https://en.kfst.dk/consumer/advice-and-complaints> OECD (2019), Effective Multi-level Public Investment: OECD Principles in Action, OECD Multi-level Governance Studies, OECD Publishing, Paris, <https://doi.org/10.1787/c3bc625b-en>

Unified methodology for the assessment of selected impacts

In the Slovak Republic, according to the government's rules of procedure, all documents submitted to the government must include an evaluation of impacts in five main areas: 1) public budgets; 2) business environment; 3) social impacts; 4) environment; and 5) the "informatisation" of the society. However, while the formal obligation to conduct RIA has been in place since 2001, with major modifications added in 2008 and again in 2010, it does not seem to be complied with as a general rule. The "Unified methodology for the assessment of selected impacts", the government resolution setting the rules for conducting impact assessments of legislative and non-legislative documents, was amended in January 2015 with the aim to improve the RIA process. This resolution changed the methodology structure and introduces mandatory consultations with businesses (or their associations) as a firm part of the RIA process whenever the proposal has potential impacts on the business sector. A new Permanent Working Committee of the Legislative Council of the Slovak Republic for Assessing Selected Impacts was also set up in October 2015. This should strengthen the process of quality control over the impact assessments submitted to the government.

Source: ISA (n.d.), Inštitút pre stratégie a analýzy, <https://www.vlada.gov.sk/institut-pre-strategie-a-analyzy-isa/> OECD (2019), Effective Public Investment Toolkit – Country Profiles, <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html>

Reduction of administrative burden across levels of government in Slovenia

The STOP bureaucracy portal have been online since 2005, the portal is intended for all citizens and entrepreneurs who come in contact with the state during their business process or in everyday life, and for regulatory drafters and other employees in the state administration who encounter administrative procedures through their work.

Source: STOP Bureaucracy (2024), About the STOP The Bureaucracy portal, <https://www.stopbirokraciji.gov.si/en/stop-the-bureaucracy> OECD (2019), Effective Public Investment Toolkit – Country Profiles, <https://www.oecd.org/en/about/projects/effective-public-investment-toolkit.html>

4 Dissemination

Approach to support the dissemination of the Recommendation

The Recommendation has increased awareness of multi-level governance for investment

148. **The Recommendation was the first OECD standard in the field of regional policy and multi-level governance that explicitly recognised the role of subnational governments in public investment.** It also highlighted the critical importance of adequate multi-level governance tools, and the need to co-ordinate across sectors in a place-based manner. As such, the Recommendation has contributed to disseminate the core RDPC messages beyond the regional policy community and to other OECD policy communities.

149. **The Recommendation has shaped the analytical framework of public investment within the OECD.** Multi-level governance of public investment analysis has been addressed in a variety of other areas, including economic surveys, green growth studies, infrastructure governance, and digital government strategies. The Recommendation was also integrated as a core building block of the Public Governance Framework on Infrastructure, which was endorsed in June 2015 by the G20 and is a building block of the Recommendation on the Governance of Infrastructure.

150. **The Recommendation has reached key policy makers in ministries of finance and line ministries, as well as other international organisations.** For example, the Recommendation was used to develop the G20-OECD Policy Toolkit to Mobilise Funding and Financing for Inclusive and Quality Infrastructure Investment in Regions and Cities (OECD, 2022^[46]) and the OECD-G20 Report on Financing Cities of Tomorrow, both of which were endorsed by G20 Leaders. To support the relevance of developing a multi-level perspective when designing public investments, the IMF referred to the principles in its 2015 Public Investment Management Assessment (PIMI) framework, and included central-local co-ordination as one of the PIMI's key aspects (Table 4.1).

151. **The Recommendation has also led to a stronger recognition of the role of subnational governments in public investment and infrastructure.** Since its adoption, Adherents have used the Recommendation to mainstream the core messages on the governance of regional policy to ministries of finance and lines ministries, including to support the development of their national investment or infrastructure strategies, as well as to raise awareness on the relevance of implementing multi-level governance tools. Since the 2019 Report, six Adherents have indicated that they have taken further steps to promote the Recommendation.

152. **The OECD Secretariat has circulated the Recommendation in different countries, and multiple international conferences.** The Recommendation has been presented in seminars organised by the European Commission, the Committee of the Regions (CoR), and the Inter-American Development Bank (IADB), among many others. The Recommendation has reached countries with different cultural backgrounds and different administrative structures (i.e. federal and unitary countries). The Secretariat has disseminated the Recommendation, for example, at international conferences organised by Member and non-Member countries.

153. **The Recommendation has served to promote the multi-level governance dialogue internationally.** In this respect, the CoR and UCLG have endorsed the Recommendation and contributed to its dissemination among subnational governments, including through global events such as Habitat III. The endorsement by UCLG means that the Recommendation reaches more than 240 000 cities, regions and local governments around the world. The Council of European Municipalities and Regions (CEMR), UCLG's European branch, has invited EU institutions to take the

Recommendation “as reference and to also consider the quality criteria of public spending (how public spending is undertaken) and not only the quantity” (CEMR, 2015^[56]).

154. **Other international organisations and academics have increased the integration of a multi-level governance dimension into their analysis as well.** International organisations, non-governmental organisations (NGOs) and think tanks in various sectors around the world are citing the Recommendation. For example, a recent study carried out by the Vinnytsia Educational and Research Institute of Economics of the West Ukrainian National University, uses the Recommendation as a reference to emphasise the need for cooperation across levels of government as key principles of budget investment management reforms.

155. **More than 60 documents and papers published between 2014 and 2024 by academics, international organisations, NGOs, or think tanks refer to the Recommendation or the Effective Public Investment Toolkit** (Table 4.1). Some of these documents place special emphasis on specific principles of the Recommendation. The first principle is the most referenced as vertical and horizontal co-ordination appears to be one of the most important challenges faced by governments. Private sector mobilisation and transparent financial management are two other key aspects highlighted in the different reports and papers.

Table 4.1. Examples of reports and papers referring to the Recommendation

Author	Name of Document
Public Institutes	
Department of Public Expenditure and Reform, Irish Government Economic & Evaluation Service	The Context for Public Capital Investment
Welsh Government	Regional Investment in Wales after Brexit: Securing Wales' Future
European Commission	Investment for jobs and growth: Promoting development and good governance in EU regions and cities
European Commission	Cohesion Policy looks to the future
European Parliament	Public investment to support long-term economic growth in the EU
The Council of European Municipalities and Regions (CEMR)	Reviving local public investments: Flexibility is needed in the existing rules of the Stability and Growth Pact
International Organisation, NGO, Think Tank	
International Monetary Fund	Making Public Investment More Efficient
International Monetary Fund	Improving Public Investment Efficiency in the G-20
Brookings Institute	Promoting effective and fiscally sound local investments in infrastructure
Overseas Development Institute	Strengthening public investment management: Reviewing the role of external actors
Building Administrative Capacities in the Danube Region	BACID Official Website
Berggruen Institute	Fiscal Discipline and Public Investment in Europe (Von einer Gesinnungsethik zu einer Verantwortungsethik)
Economic Policy Institute	How to improve infrastructure project selection: Account for positive regional spillovers, environmental impacts, and job creation benefits
MCB Group	Strengthening our competitiveness by modernising our infrastructure set-up amidst fiscal discipline
Academic Research	
Mowat Centre (Ontario's Voice on Public Policy)	From the Ground up: The Role of Local Governments in Building Canada's Economic Infrastructure Network
College of Europe	Moving Beyond State Aid: How Can Public Policy Better Support SME Financing?
Committee of the Regions (CoR) and the Regional Studies Association of EU	Future research on European Union Cohesion Policy: a Master Class during the OPEN DAYS 2014
Bucharest University of Economic Studies	New Approaches to the Quantitative Assessment of the Need for Investment Projects
Bucharest University of Economic Studies	New Approaches to Performance of Public Investment Projects
Gerasimos Soldatos, American University of Athens	A Short "Second Best" Narrative of the Ukrainian Economy / Una Breve "Segunda Mejor Opción" de Narrativa de la Economía Ucraniana

Author	Name of Document
Public Institutes	
International Center for Public Policy	Decentralization and Infrastructure: From Gaps to Solutions
Penn Institute for Urban Research (Penn IUR)& Federal Reserve Bank of Philadelphia	Revamping Local and Regional Development through Place-based Strategies
West Ukrainian National University	Prospects for reforming the budget investments management in Ukraine in the context of international experience
Institute of Fiscal Studies Spain	Vertical Externalities Revisited: New Results with Public Inputs and Unit Taxation
European Policies Research Centre, University of Strathclyde (Glasgow)	The quality of government and administrative performance: explaining Cohesion Policy compliance, absorption and achievements across EU regions
Tokai University	Does Infrastructure investment lead to economic growth?: Evidence from central Asian countries
Bucharest University of Economic Studies	Analysis of the methodological framework for developing public investment projects

Source: Author's elaboration

156. **The Recommendation set the ground to launch new OECD review series, the OECD Multi-Level Governance Studies and the Effective Public Investment Reviews.** One of the purposes of these studies is to conduct in depth country and thematic analysis to assess public investment practices and multi-level governance structures using the Recommendation as framework analysis. The Report benefitted from insights drawn from these country reviews (Belgium, Germany, Sweden and Colombia, among others).

Dissemination is supported by the Effective Public Investment Toolkit

157. **The Secretariat launched an implementation toolkit six months after adoption of the Recommendation by Council.** Currently the toolkit offers a database of good practices, self-assessment indicators and guidance to successfully implement the Recommendation¹². The toolkit currently contains four sets of information:

- Database of good practices for each of the principles by each country;
- General guidance for each of the principles and questions for self-assessment;
- Suggestions of indicators to monitor the status of each principle across levels of government;
- Country profiles (of OECD Member and non-Member Adherents) with data on subnational public investment

158. **To support the continued implementation and dissemination of the Recommendation, the Secretariat also plans to update the Toolkit.** The update will include key data from the survey and a database of good practices that will serve as a platform for policy makers to explore and learn about good practices across Adherents. This could include targeted tools, training, and resources to empower resource constrained subnational governments, such as those in rural areas. It could also include practical examples of how countries can integrate topics such as climate adaptation and equity into their public investment frameworks. Furthermore, it could help governments improve their data collection and analysis processes through practical tools, templates, and methodologies.

159. **Dissemination is also supported by the OECD-UCLG World Observatory on Subnational Government Finance and Investment (SNG-WOFI).** The SNG-WOFI collects information that allows a better understanding of the subnational government investment, as well as information on multi-level governance practices associated with public investment (Box 4.1).

¹² Note that during the transition to the new OECD website in July 2024 some functionality of the Effective Public Investment Toolkit is no longer available. The toolkit will be updated during this implementation process.

Box 4.1. World Observatory on Subnational Government Finance and Investment (SNG-WOFI)

The World Observatory on Subnational Government Finance and Investment (SNG-WOFI) is a multi-stakeholder initiative led by the OECD and UCLG dedicated to collecting and analysing comparable data and information on territorial organisation and subnational finance from around 135 countries and to supporting decision-making of national and subnational governments around the world.

The objectives of the Observatory are to:

- Ensure standardised, reliable and transparent access to data on subnational government structure, finance and investment
- Support international dialogue and decision-making on multi-level governance and subnational finance
- Serve as a capacity-building tool.
- Support the implementation of the OECD Recommendation on Effective Public Investment across Levels of Government

The Third Edition of the World Observatory on Subnational Government Finance and Investment (SNG-WOFI) was launched on 24 October 2022 at a conference held both at the OECD headquarters and online. The conference gathered over 150 participants onsite, including the project co-founders and partners, international organisations and representatives from all levels of government, and around 150 participants online. The 2022 edition included data from 135 countries, covering almost 90% of the world surface area, 93% of the world population and 94% of global GDP.

The 4th meeting of the Steering Committee was held on 16 January 2024, in a hybrid format. It gathered around 30 participants in person, at the OECD headquarters, and more than 50 participants online. The meeting, facilitated by the OECD and UCLG, provided the opportunity to discuss the key findings and impact of the 3rd edition, the proposed content of the 4th edition, and the governance and financing model of the SNG-WOFI.

Source: OECD (2024), World Observatory on Subnational Government and Finance, [World Observatory on Subnational Government Finance and Investment - SNG-WOFI](#)

Development of an indicator compass will support continued dissemination

160. **To support the continued implementation and dissemination of the Recommendation, the OECD Secretariat is seeking to develop an Indicator Compass.** The indicator compass will facilitate peer-learning and help identify priorities to improve performance. The Indicator Compass seeks to codify existing and new information relating to effective public investment across levels of government [CFE/RDPC(2024)33]. It will be framed with a contextual understanding of each country, given that multi-level governance systems vary significantly across countries and comparisons are not always possible.

5 Summary and Conclusions

Implementation

161. **Since the adoption of the Recommendation, Adherents have implemented several policy reforms that are aligned with the principles of the Recommendation.** A focus of these reforms is on the first pillar of the Recommendation on co-ordination across governments and policy areas. The results indicate a diversity of practices, which also vary depending on governance structures (e.g., level of centralisation, federal vs unitary structures). In particular, Adherents are increasingly adopting place-based investment strategies. Co-ordination across sectors at the national level is also gaining ground among Adherents, with several Adherents having implemented mechanisms to co-ordinate investments across sectors such as inter-ministerial committees or councils, which are becoming more permanent. Similarly, many Adherents have created structured mechanisms to facilitate consultation with subnational governments. Adherents have also made important efforts to improve the availability of subnational data to guide investment strategies and support evidence-based decision making. Other policy recommendations set out in the Recommendation have also become common practice, notably the development of complementary training courses to reinforce public procurement capacities at the subnational level, among others.

162. **Still, there is important room for improvement in key areas of public investment.** There remains room for improvement in key areas of public investment. For example, only a few Adherents include targeted objectives for specific places and territories in their regional development or investment strategies, highlighting a limited adoption of place-based approaches. While inter-municipal coordination has become more widespread, there is more limited use of regional-level cooperation mechanisms for broader-scale investments. Addressing investment gaps will require greater efforts to collect granular data to enable governments to tailor investment strategies to unique needs of specific territories. In parallel, stronger collaboration with the private sector and relevant stakeholders is essential to develop investment projects in line with local needs. Further, despite the adoption of performance-oriented approaches in some Adherents, many still face challenges in their effective implementation. Improving subnational capacities to access finance, particularly green finance, is also crucial for fostering sustainable and inclusive development.

Dissemination

163. **The Recommendation has been actively promoted among and beyond Adherents since its adoption in 2014.** In particular, the Recommendation has raised awareness of the multi-level governance dimension of public investment among policy-makers beyond the regional development community. The Recommendation has facilitated the dissemination of core messages of the RDPC on the relevance of vertical and horizontal co-ordination and complementarities across sectors to ministries of finance and multi-lateral organisations such as the IMF, among others. Partnerships with other international organisations like UCLG or the CoR have further helped with the dissemination of the Recommendation, especially at the subnational level. The creation of the World Observatory on Subnational Finance and Investment has also supported the dissemination of the Recommendation.

Continued relevance

164. **Most Adherents consider that the Recommendation is still relevant, but that there is room for improvement.** The assessment of the implementation of the Recommendation shows that the policy principles contained therein are well known, relied on and still relevant. The increasing demand for public investment for sustainable economic growth, alongside the imperative to address emerging global challenges, underscores the enduring importance of these principles. Key trends including rapid urbanisation, which necessitates enhanced infrastructure and service delivery; the escalating impacts of climate change, which demand resilient and sustainable investment strategies; and demographic shifts, such as population ageing, which require long-term planning for healthcare and social services. These challenges, coupled with heightened fiscal constraints in many jurisdictions, highlight the Recommendation's continued relevance and the pressing need for its principles to guide public investment strategies in a rapidly evolving global context.

165. **Global trends have highlighted the importance of coordinated action across levels of government.** To reflect the growing importance of multi-level governance, delegates of the RDPC have suggested to revise the Recommendation. Revisions could aim to strengthen the multi-level governance dimension of the Recommendation. It could also involve other adjustments, both substantive (e.g., embedding concepts such as resilience and inclusivity) and non-substantive (e.g., linguistic refinements, reformatting, and structural improvements to enhance clarity, readability, and overall coherence).

Next steps

166. **While the Recommendation remains relevant, delegates of the RDPC have suggested to revise it with a view to strengthen its multi-level governance dimension and emphasise concepts that have gained prominence over the past decade, such as resilience and inclusivity.** A draft revised Recommendation under discussion by the RDPC alongside the preparation of this Report.

167. **The OECD Secretariat will also continue to disseminate the Recommendation and support Adherents through new country and thematic studies at the national and subnational levels.** This will include updates to the Effective Public Investment Toolkit, based on the material of this report and other reports. The next report on implementation, dissemination and continued relevance will be developed five years following the revision of the Recommendation.

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[16]

Annex B. Good practice examples on effective public investment for regional development

Title	Description	Related principle/s	Country	Source / Link
Principle 1	Invest using an integrated strategy tailored to different places			
Major Transport Infrastructure Authority	This Authority was established by the Victorian State Government in Australia to oversee major road and rail projects, representing approximately AUD 80 billion in forecast investment under the Victorian Government “Big Build” programme. The Authority was established to be separate to, but work closely with, the Department of Transport. The authority brings together expertise in infrastructure planning, financing and delivery into a single authority, which can allow for the sharing of resources, systems, tools and knowledge across major projects. Infrastructure investments by the authority are being undertaken through a mix of traditional public procurement approaches and public private partnerships, leveraging funding from the national and State government and private finance.	1	Australia	Unlocking Infrastructure Investment (2021)
Infrastructure Australia	Federal level. Infrastructure Australia was created in 2008. Its main task is the development of a strategic blueprint for future infrastructure investments. Infrastructure Australia identifies investment priorities and the policy and regulatory reforms necessary to enable timely and co-ordinated delivery of national infrastructure investment. It works in partnership with states, territories, local governments and the private sector. It also advises Australian governments on how to manage infrastructure gaps and bottlenecks that hinder economic growth. The recent establishment of Infrastructure Australia is meant to provide advice to governments on nationally significant infrastructure priorities and reforms, on the basis of rigorous cost-benefit analysis.	1	Australia	Effective Public Investment Toolkit - Country Profiles
Atlantic Growth Strategy	Since the Atlantic Growth Strategy was launched in 2016, the Government of Canada and the Atlantic provincial governments have collaborated to launch innovative measures designed to unlock Atlantic Canada’s economic potential. Current priorities include: (i) Leveraging population growth and attracting and retaining a strong workforce; (ii) Spurring increased productivity and competitiveness; and (iii) Advancing the transition to a net-zero, green economy.	1	Canada	Questionnaire on Effective PI (2024) Atlantic Growth Strategy
Canadian Regional	Canada’s Regional Development Agencies (RDAs) work closely with businesses and innovators in their regions to fuel economic growth that creates more well-paying middle-class jobs for Canadians. RDA programs foster	1	Canada	Effective Public Investment Across Levels of Government

Title	Description	Related principle/s	Country	Source / Link
Development Agencies	the right environment to enable businesses to grow and entrepreneurs and innovators to start businesses, creating the ideal conditions for the development of strong, dynamic, and inclusive regional economies throughout the country. RDAs support regional innovation ecosystems and help businesses scale up by: delivering nationally coordinated programs tailored to fit regional needs and circumstances, providing access to financial assistance, bringing together key players in their respective ecosystems, supporting community economic development, and ensuring that regional growth strategies eliminate regional gaps and align with federal government objectives			(2019)
Rebuilding Ontario plan	Ontario, Canada owns more than CAD 230 billion of infrastructure assets. To “maximise the life, performance and value of existing infrastructure and services”, the Ontario government implemented the Rebuilding Ontario plan in 2019. Key elements of the plan include the collection of quality data, increased integrated land-use and infrastructure planning, improving planning and procurement, and improving asset management. The plan establishes an interdisciplinary team to share asset management practices, improve data collection and apply advanced analytics to asset portfolios.	1	Canada	Unlocking Infrastructure Investment (2021)
Capital Facilities and Maintenance Programme	The Capital Facilities and Maintenance Programme provides over CAD 2 billion per year for housing, education, water and wastewater and other infrastructure to support community infrastructure for First Nations people living on reserve in Canada. One funding stream is dedicated to support operations and maintenance of existing infrastructure. The programme has objectives to maximize the lifecycle of physical assets, mitigate health and safety risks, ensure assets meet applicable codes and standards and ensure assets are managed in a cost-effective and efficient manner. The funding is managed through regional 5-year capital plans.	1	Canada	Unlocking Infrastructure Investment (2021)
Community Futures Program	The Community Futures Program (CFP) supports Community Futures Organizations (CFOs) in their delivery of a variety of programs and services assisting community economic development and small business growth in rural Canada as well as adjustment initiatives in non-metropolitan areas of significant economic difficulty. Today, there is a national network of 267 non-profit, locally-based CFOs serving communities in mainly non-metropolitan areas across Canada. Linking this network of CFOs are 19 provincial, regional and national CF Associations across Canada.	1,2,3	Canada	Community Futures Canada
Ontario’s Rural Economic Development (RED) program	Announced January 2025, the RED program provides up to \$250,000 in funding to support activities aimed at strengthening rural communities through economic diversification, infrastructure improvements and workforce attraction and retention. Eligible projects include economic infrastructure development, technology adoption initiatives, and business succession support.	1,2,9	Canada	Rural Economic Development (RED) program Program Guide 2025
Regional Development Fund	The FNDR was created in 1974 to fund regional development and infrastructure projects, with the objective to achieve balanced territorial development. The Fund supports several programmes, such as the Regional Fund for Local Initiative, which funds community infrastructure projects that improve the quality of life of the poorest population of the commune. It takes into account the component of citizen participation through the municipalities, who represent the demands and needs in their territories	1	Chile	Unlocking Infrastructure Investment (2021)
National Extreme Zone	Its objective is to promote the convergence of territories defined as extreme zones to the country's development process on a permanent basis, encouraging its inhabitants to have access to social rights and continuous	1	Chile	Questionnaire on Effective PI (2024)

Title	Description	Related principle/s	Country	Source / Link
Policy	opportunities for their personal and social well-being, allowing their full and comprehensive realization in equality of rights. conditions, regardless of their geographical location in the national territory.			https://www.bcn.cl/leychile/consulta/listado_n_sel?comp=&agr=2& grupo_aporte=&sub=1224
National Policy for the Development of Isolated Localities	This National Policy applies to isolated localities, that is, among others, those that are geographically in this condition, have difficulties in accessibility and physical connectivity, have a very low population density, present dispersion in the territorial distribution of their inhabitants, and that show low presence and coverage of basic and public services.	1	Chile	Questionnaire on Effective PI (2024) Legislation https://www.gobiernosantiago.cl/wp-content/uploads/2014/doc/estrategia/Politica_Regional_para_el_desarrollo_de_Localidades_Aisladas_2013.pdf
National Policy on Lagging Areas	Its objective is to promote access to opportunities among people, regardless of where they live and from a focus on equal and equitable rights, focusing resources and actions on those territories that present larger gaps in their development and social well-being. The above, through coordinated and articulated work between public bodies, private sector, academia and civil society present in the territory so that they reach levels of development and quality of life not lower than that of their own region, achieving graduation as a Zone in Development in the shortest possible time.	1	Chile	Questionnaire on Effective PI (2024) https://www.bcn.cl/leychile/navegar?idNorma=1195635 https://proactiva.subdere.gov.cl/handle/123456789/571
National Investment Plan	The Czech Republic (Czechia) has created a National Investment Plan, which came into force in 2019. The government, through regional authorities, collects local investment plans of regions and cities. Based on the collected local needs, the government creates a long-term fiscal framework and determines investment priorities for Czechia.	1	Czechia	Effective Public Investment Across Levels of Government (2019)
Specific place-based approaches: cluster	In April 2013, a new cluster strategy was launched to improve framework conditions for innovation and knowledge sharing, with a view to expanding clusters. It includes the establishment of a forum to increase collaboration in cluster development at local, regional and national levels and the strengthening of international activities of clusters	1	Denmark	Effective Public Investment Toolkit - Country Profiles
Estonia 2030+	The Estonia 2030+ National Spatial Plan is a national strategy for spatial development over the whole national territory. The Estonia 2030 Vision helps to articulate planning, and ensure the integrity and coherence of all development documents. It was drafted by the Planning Department of the Estonian Ministry of the Interior, with contributions from county and local governments, experts, and other interested parties. The drafting process was updated through the plan's website, and several public events were held during its conception. It aims at defining policies and trends for sustainable spatial development at the national level. The Plan is co-ordinated with sectoral and regional developments and policy measures, as well as several other plans for employment and growth, territorial development, etc. Its main objective is to combine compact urban spaces with the sparse, low-density characteristics of the countries' settlements, by focusing on polycentric strategies relying on short commuting distances. A lot of the planning implementation is delegated to municipalities, which also requires mechanisms for horizontal co-ordination at the regional level. In 2023, the Government of the Republic initiated	1	Estonia	Questionnaire on Effective PI (2024)

Title	Description	Related principle/s	Country	Source / Link
PEEC, Action logement and NPNRU	<p>the preparation process of the Estonia 2050 National Spatial Plan. Its preparation is organized by the Ministry of Regional Affairs and Agriculture.</p> <p>The new national urban renewal program (NPNRU) aims to intervene in 453 priority urban districts (QPV) with the most serious urban dysfunctions (representing around 3 million inhabitants). It is implemented by the French National Urban Renewal Agency (ANRU). The objectives are to</p> <ul style="list-style-type: none"> - promote social diversity by reconstituting the supply of social rental housing (LLS) off-site and outside QPVs, and increase housing diversity - adapt the neighborhood's density to its environment and to the urban functions targeted - promote a functional mix and consolidate economic development potential - enhance the district's openness and mobility for residents - aim for energy efficiency and contribute to the neighborhood's ecological transition - create high-quality urban development and real estate programs that take into account usage, management and safety issues, and anticipate future changes and mutations. <p>The program has a grant equivalent of 12 billion euros (or 14.2 billion euros in financial assistance) allocated by ANRU.</p> <p>The work is expected to generate 50 billion euros of investment from all sources (local authorities and social landlords in particular), with ANRU contributing 10.7 billion euros in subsidies and 3.3 billion euros in subsidized loans. All in all, the NPNRU will receive €14 billion in financial support.</p> <p>Of the 12.1 billion euros mobilized by ANRU, 8 billion euros are paid by the Action Logement group, which collects and manages the Participation des Employeurs à l'Effort de Construction (PEEC), a compulsory contribution for private-sector companies with over 50 employees. Its Board of Directors includes representatives of employers' and trade union organizations, as well as government commissioners.</p>	1	France	<p>Questionnaire on Effective PI (2024)</p> <p>Participation de l'employeur à l'effort de construction (PEEC) : 1 % logement Entreprendre.Service-Public.fr Groupe Action Logement https://www.anru.fr/le-nouveau-programme-national-de-renouvellement-urbain-npnru</p>
National Agency for Territorial Cohesion	<p>The <i>Agence nationale de la cohésion des territoires</i> (ANCT) is placed under the authority of the Ministers for Territorial Cohesion and Relations with Local Authorities. Its mission is to advise and support local authorities and their associations in the design, definition and implementation of their projects.</p> <p>ANCT facilitates local authorities' access to the resources they need to bring their projects to fruition: technical and financial engineering, partnerships, subsidies.</p> <p>In particular, it has developed "tailor-made engineering", a free service for municipalities with fewer than 3,500 inhabitants and EPCIs with fewer than 15,000 inhabitants, designed to help local authorities bring their projects to fruition by providing technical and financial support tailored to their specific needs.</p> <p>It is also the coordinating authority for the management of European funds, and has ensured the deployment of</p>	1	France	<p>Questionnaire on Effective PI (2024)</p> <p>Accueil Agence nationale de la cohésion des territoires ANCT (agence-cohesion-territoires.gouv.fr)</p>

Title	Description	Related principle/s	Country	Source / Link
	<p>a large number of national schemes.</p> <p>It is also responsible for observing and understanding local areas. The programs cover a wide range of fields, including</p> <ul style="list-style-type: none"> - Urban policy for the most disadvantaged urban neighborhoods - France Services: This program aims to improve access to public services in all regions. - Action cœur de ville: This is a program designed to revitalize the centers of medium-sized towns. - Petites Villes de demain: This program supports small towns in their sustainable development projects. - France Très Haut Débit: This program aims to provide very high-speed broadband coverage throughout France. - Territoires d'Industrie": this program aims to support the industrial reconquest and development of the country's most industrial areas, focusing on innovation, skills, land and ecological transition. - New places, new links": this program aims to accelerate the development of third-party venues throughout France, by promoting territorial networking, diversifying third-party revenues through the development of services of general interest, and professionalizing and organizing third-party venue networks. - Digital Society": this program aims to enable all French people to benefit from the opportunities offered by digital technology, by preparing them for new skills and professions, and by giving them the first keys to becoming enlightened citizens in the digital society. <p>Last but not least, the ANCT is in charge of deploying ecological recovery and transition contracts, which encourage collective work between the State, local authorities (Regions, Départements, communes, etc.) and local public and private players. They enable all local initiatives to be listed in a single document, and simplify access to the financial and engineering resources likely to make a coordinated contribution to the actions undertaken.</p>			
SGPE	<p>Its mission is to ensure the coherence and follow-up of ecological policies, to initiate and steer the mobilisation of ministries and stakeholders, to coordinate all negotiations and finally to measure the performance of actions undertaken. To carry out these missions, the SGPE has a multidisciplinary team with complementary expertise: engineers, experts in environmental, financial and economic issues, and mobilization specialists.</p>	1	France	<p>Questionnaire on Effective PI (2024)</p> <p>https://www.gouvernement.fr/france-nation-verte/le-secretariat-general-a-la-planification-ecologique</p>
Interministerial Town Council	<p>It meets under the authority of the Prime Minister and in the presence of the Minister for Territorial Cohesion, the Secretary of State for Urban Affairs, all the ministers concerned, the Chairman of the National Agency for Territorial Cohesion and the Director of the General Directorate for Local Authorities.</p>	1	France	<p>Questionnaire on Effective PI (2024)</p> <p>https://agence-cohesion-territoires.gouv.fr/les-mesures-cles-du-comite-interministeriel</p>

Title	Description	Related principle/s	Country	Source / Link
General Secretariat for Investment (SGPI)	The Secrétariat Général pour l'Investissement (SGPI) is an administrative body reporting to the Prime Minister. It is responsible for ensuring the coherence and monitoring of the State's investment policy, through the deployment of the France 2030 plan.	1	France	des-villes-2023-1257 Questionnaire on Effective PI (2024) https://www.gouvernement.fr/organisation/secretariat-general-pour-l-investissement-sgpi
National Urban Development Policy	The National Urban Development Policy has been the driving force behind integrated urban development in Germany since 2007. It is a joint initiative of the federal government, states and local municipalities. Besides, there is also an opening process to stakeholders outside of administration and politics with partners from civil society, business, science and associations. The initiative wants to lay the foundations for common, future-oriented action and support all actors and stakeholders committed to their cities and communities. In this regard, the National Urban Development Policy pursues the goal of implementing the results of the Leipzig Charter on Sustainable European Cities in Germany.	1	Germany	Questionnaire on Effective PI (2024)
Investment Act for Coal Regions (InvKG)	The Federal Climate Change Act (KSG, Klimaschutzgesetz) envisages an at least 65 percent reduction in German greenhouse gas emissions by 2030 compared to 1990 emissions. Phasing out thermal utilisation of coal (especially lignite coal) will make a substantial contribution to achieving these goals. However, the coal phase-out poses structural challenges for the lignite coal mining areas (and the locations of the hard coal-fired power plants). In order to actively shape structural change in these regions, the German Bundestag passed the Investment Act for Coal Regions (InvKG) in August 2020 with the approval of the Bundesrat. With this law, the Federal Government will provide financial assistance of EUR 41.09bn until 2038. The policy measures focus on a range of goals, above all macroeconomic (value creation, growth, tax revenue), competitive (productivity), labour market policy (employment, employment structures), distribution policy (regional disparities) and climate policy (greenhouse gas reduction, sustainability). The structural policy interventions provided for in the Act on Structural Change in Coal Mining Areas comprise a wide range of measures.	1	Germany	Questionnaire on Effective PI (2024) https://www.bmwk.de/Redaktion/DE/Textsammlungen/Wirtschaft/strukturstaerkungsgesetz-kohleregionen.html
Impulse Funding of municipal heat planning via the National Climate Initiative (NKI)	Municipalities that want to plan where to build district heating early got funding from the national level. The funding quota was particularly high (90% in general, 100% for municipalities in financial distress or municipalities in lignite regions).	1	Germany	Questionnaire on Effective PI (2024) www.klimaschutz.de
New Act on Territorial Development	The purpose of the law is to establish the basic tasks and rules of regional development and regional planning, and to establish the institutional terms. The scope of the law covers the regulation of state spatial development tasks and the co-ordination tasks of local	1	Hungary	Questionnaire on Effective PI (2024)

Title	Description	Related principle/s	Country	Source / Link
(No. CII. of 2023)	governments performing spatial development tasks, as well as spatial planning tasks. The Act introduces: - in policy terms, the regional level and the level of the areas to be managed together - in institutional terms, the Regional Development Service - establishing the financial instrument for spatial development			
National Development and Territorial Development Concept (NDTDC)	The National Development and Territorial Development Concept (NDTDC) aims at co-ordinating development objectives for development policy and territorial development. (Parliament Resolution No. 1/2014. (I. 3.) OGY). It was adopted by the Parliament after extensive consultation across ministries, county councils, local governments including Budapest, public consultation, Strategic Environment Assessment (SEA). The NDTDC includes several goals for subnational development. It addresses in particular the issue of polycentricity introducing different levels of urban centers, wherein Budapest and 67 other towns are considered as urban areas with (potential) international relevance regional poles. Objectives are set for the development of the Budapest metropolitan area for example is on the medium-term. The NDTDC integrates the Hungarian development goals and objectives and defines their territorial dimensions, which also constitute the basis of the planning documents (partnership agreements, operational programmes) prepared for the 2014-2020 EU planning and budget period, and defines a long-term future vision, development policy objectives and principles for Hungary based on the country's social economic, sectoral and territorial development needs and in line with the EU 2020 Strategy and the commitments undertaken under the National Reform Programme.	1	Hungary	Effective Public Investment Toolkit - Country Profiles
Inter-ministerial Co-ordination Committee for European Affairs	The special Inter-ministerial Co-ordination Committee for European Affairs in Hungary is a committee consisting of senior ministry officials tasked with co-ordinating EU-related issues.	1	Hungary	Effective Multi-level Public Investment (2019)
Permanent Geographical Committees of Inquiry	Since 2017, Permanent Geographical Committees of Inquiry were established to assess policies through a territorial lens. These committees provide recommendations on unification of local authorities, changing jurisdictions, and designing distribution of income among local authorities	1	Israel	Effective Multi-level Public Investment (2019)
Regional Plans	In recent years, regional plans became more prominent in Israel. Israel's National Strategic Spatial Plan identifies regional planning as a strategic tool for creating well-being and reducing inequalities. Regional plans can assist in identifying regional advantages and unique strength, local anchors and assets, while establishing cooperation between the different stakeholders.	1	Israel	Questionnaire on Effective Public Investment (2024)
Strategy for Inner Areas	Italy's Strategy for Inner areas is an integrated strategy tailored to different places with the aim of reducing demographic decline and land abandonment in many rural areas, by improving the quality of essential services – education, health and mobility – and promoting the opportunities for economic activity and jobs. The strategy is pursued through (i) the identification in each project-area an alliance of municipalities willing and capable of working together; (ii) the promotion of a results-oriented strategy through a participatory approach; (iii) the	1	Italy	Effective Public Investment Across Levels of Government (2019)

Title	Description	Related principle/s	Country	Source / Link
	definition of a set of integrated projects and their expected outcomes, through enhanced co-ordination across sectoral administrations and subnational governments.			
Inter-ministerial Committee for Economic Planning (CIPE)	The Inter-ministerial Committee for Economic Planning (CIPE), a political decision-making body headed by the Prime Minister, ensures overall co-ordination of the national investment strategy and coherence between regional and national policy priorities. Political dialogue and vertical co-ordination between the regional and national governments is ensured through the State-Region Conference, a permanent negotiating arena between central and regional authorities. Created in 1997, this conference brings together Italy's regions at least twice a year and plays a key role in influencing the national political debate and decision-making processes on issues of regional importance.	1	Italy	Effective Public Investment Toolkit - Country Profiles
Inter-Ministerial Committee for Urban Policy	In 2012, the Prime Minister created an Inter-Ministerial Committee for Urban Policy that addresses three main issues. First, the committee addresses the sometimes conflicting relationship between institutional boundaries and planning activities in order to increase effectiveness in policy making. Second, it addresses the phenomenon of urban sprawl, territorial congestion and the need for efficient infrastructure. Third, it looks at the maintenance and strategic management of the process of recovery and renewal of the housing stock.	1	Italy	Effective Public Investment Toolkit - Country Profiles
Korean Regional Development Investment Agreement	To promote large-scale projects in regions, in 2019 the central government introduced the balanced national development project, which includes a Regional Development Investment Agreement (RDIA) to enhance co-ordination and cooperation across levels of government. These agreements help local governments – including municipalities and metropolitan authorities – establish multi-year regional development plans with corresponding financial support. These projects are jointly promoted and funded by all levels of governments for specific regions. The ratio of co-funding by local governments varies depending on their financial situation. Additionally, the Balanced Committee – which includes representatives from ministries, the consultation body of the Local Autonomy Act, and a central administrative agency — and the Ministry of Land, Infrastructure and Transport may operate a support team if requested by the relevant ministries and local governments. Research on institutional improvement may also be provided.	1	Korea	G20-OECD Policy Toolkit (2022)
Cross-Sectoral Co-ordination Department of the State Chancellery	The Cross-Sectoral Co-ordination Centre in Latvia helped integrate the goals and actions of the National Development Plan 2021-2027 into the EU fund planning documents and sector planning documents. It also carried out research to assess the coherence and interface between the strategic documents and the links between the national, regional, and local-government level planning systems. Since 1 March 2023 The Centre has been integrated in State Chancellery. The State Chancellery fully assumes both the functions and obligations of the CSCC as of 1 March 2023, ensuring the continuity of previous processes. The State Chancellery's team is supplemented by the Cross-Sectoral Co-ordination Department, which includes the National Development Planning Division, the National Development Monitoring and Evaluation Division and the State-Owned Enterprise Governance Division.	1	Latvia	Effective Public Investment Across Levels of Government (2019)
Oslo-Akershus Joint Regional Plan for	Oslo adopts a long-term vision based on policy co-ordination at a metropolitan scale with the Oslo-Akershus Joint Regional Plan for Spatial Development (2008) which includes a development vision for the metropolitan area through 2050. Oslo also co-ordinates its policies with the national government which has a representative in the Oslo-Akershus region for supervision and resolution of planning proposals that conflict with the national	1	Norway	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
Spatial Development	government			
Urban Growth Agreements	Urban Growth agreements are the main instrument for achieving the zero growth target for transport by passenger cars. Today the four largest urban areas and the municipality of Tromsø have urban agreements. To new urban areas, Nedre Glomma and Kristiansand region. The agreements combine public investments from road tolls, state funding and local funding. Large projects for public transport investments of national significance are funded by the state by 70 per cent of the investment costs will be invited to negotiate for urban growth agreements.	1	Norway	Questionnaire on Effective PI (2024) Norway's Zero-Growth Goal for major urban areas (oecd.org) In Norwegian with links to the existing agreements (full text): Byvekstavtaler og belønningsavtaler - regjeringen.no
Co-ordinating Committee for Development Policy (CCDP)	Poland has established the Co-ordinating Committee for Development Policy (CCDP) as a permanent inter-ministerial committee linked to regional development issues through sub-committees (e.g. sub-committee for rural areas development, sub-committee for territorial dimension). The CCDP carries out analysis and drafts documents to facilitate the implementation of the country's Strategy for Responsible Development, which has a strong territorial dimension.	1	Poland	Effective Public Investment Across Levels of Government (2019)
A single agency to coordinate EU structural and investment funds	A new agency for Development and Cohesion was created in 2013. It has responsibility for Co-ordination EU structural and investment funds and Regional Policy.	1	Portugal	Effective Public Investment Toolkit - Country Profiles
Estratégia 2030	It represents a strategic reference for the various policy instruments, encompasses several sources of financing in order to promote economic and social development of the country over the next decade.	1	Portugal	Questionnaire on Effective PI (2024) National Strategy 2030 (Estratégia 2030)
Fórum Intersetorial do PNPT	A platform for dialogue and strategic cooperation between public partners for the coordinated execution of national and sectoral territorial policies of territorial relevance (governance model for implementing the National Spatial Planning Policy Program - PNPT). The Report on the State of Spatial Planning (REOT) is the instrument for evaluating the implementation of PNPT and is produced within this Fórum.	1	Portugal	Questionnaire on Effective PI (2024) RCM n.º 48/2020
Spanish Urban Agenda and National Administration Action Plan	The Spanish Urban Agenda is a strategic document of a non-regulatory -and thus voluntary- nature that, according with the criteria set out in the 2030 Agenda, the new United Nations Urban Agenda and the Urban Agenda for the European Union, seeks to achieve sustainability in urban development policies. It fosters an integrated approach to urban development: multidimensional, cross-sectoral, and breaking silo-thinking. It is also a working method to develop integrated urban development strategies at local level and a process for all public and private stakeholders involved in cities and seeking for a more equitable, fair and sustainable urban	1	Spain	Questionnaire on Effective Public Investment (2024) https://www.aue.gob.es/en/the-spanish-urban-agenda

Title	Description	Related principle/s	Country	Source / Link
	<p>development.</p> <p>After intensive work and a broad participatory process that lasted almost a year, it was approved by the Government in 2019. The Spanish Urban Agenda offers a Decalogue of Strategic Goals, which features a total of 30 specific goals and 291 lines of action. The result is a veritable "à la carte menu" that can be used by those actors interested in its implementation to draw up their own Action Plans. It is based on a broad vision that includes every town and city, regardless its size and population, and relies on the triple dimension of economic, social and environmental sustainability.</p> <p>The Ministry of Housing and Urban Agenda, as the driving Ministry responsible for the development and implementation of the Spanish Urban Agenda, and for the coherence with the 2030 Agenda Action Plan, has approved its own Action Plan. In accordance with international agreements, this plan identifies a series of actions in the regulatory and planning sphere, in financing, in governance, in citizen participation and in the exchange and dissemination of knowledge about urban issues.</p>			<p>https://www.aue.gob.es/en/national-administration-action-plan-0#Action_Plan_of_the_Spanish_Government</p>
<p>Spanish Urban Agenda Pilot Municipal Action Plans</p>	<p>The strategic framework of the Spanish Urban Agenda is voluntary framework designed for helping municipalities drawing their own Action Plan.</p> <p>Each Action Plan will be developed by the different Administrative levels (region, province, municipality), each within its own sphere of competence, or by the private sector, the civil society, Academia, NGOs, etc. All of them will be focused on the framework of their needs, capacities and expectations. As a whole, they comprise the key players in this Agenda, whose sole but ambitious goal is to achieve, in a coordinated, conscientious, committed and voluntary perspective, an urban model for our cities that is more sustainable, resilient, inclusive and safe, as set out in SDG no. 11, as part of a joint effort with the remaining SDGs to which it is linked.</p> <p>To help building the Action Plan for each stakeholder, this section of the Spanish Urban Agenda provides 3 files:</p> <p>SHEET 1: Questionnaire for preparing the Action Plan. This file provides a simple outline of questions that can be used to prepare the diagnosis, to showcase the actions being carried out, to select the lines of action needed to achieve each stakeholder's goals, to identify the stakeholders required to carry out each action, and to monitor and evaluate the Action Plan itself.</p> <p>SHEET 2: SWOT Analysis. This sheet will allow the stakeholders to identify the Strengths, Weaknesses, Opportunities and Threats (SWOT) in each of the Agenda's Strategic Objectives. Items separate from those identified in this analysis can be freely added.</p> <p>SHEET 3: Tool for implementing the Action Lines. This file lists a wide range of possible actions that can help</p>	<p>1</p>	<p>Spain</p>	<p>Questionnaire on Effective Public Investment (2024)</p> <p>https://www.aue.gob.es/en/other-agendas-and-action-plans#Local_entities</p>

Title	Description	Related principle/s	Country	Source / Link
	<p>to achieve each one of the goals.</p> <p>In 2021, the Ministry of Transport Mobility and Urban Agenda (MITMA) launched an open Call for funding local administration Action Plans, dedicating 20 M € for funding the elaboration of these Action Plans. In total, 233 applications were submitted, of which, 121 proposals for Local Action Plans have been selected and granted funding. These proposals involve a population of more than 8.5 million, including very different population sizes, and also Provincial and Island Councils, widely covering the entire national territory, from Madrid, Seville, Valencia, or Diputación de Barcelona to small villages of less than 200 inhabitants. Due to their quality, uniqueness and exemplary capacity, they can be considered Pilot Projects transferable to many other places in Spain.</p>			
A National Strategy for Sustainable Development (NSP)	<p>In Spain, the development responsibility is shared between the State and the Autonomous Communities. The Ministry of Rural Affairs and the Ministry of Agriculture, Fisheries and Rural Development are the main responsible for the National Strategic Plan. This plan is complemented by 17 Regional Rural Development Programmes (RRDPs) general frameworks for autonomous communities. The regional programmes are developed with horizontal measures and complemented by the National Framework for Rural Development (NFRD) established by each Autonomous Community. The regional programmes also include measures to address specific regional needs. Biannual Synthesis reports are issued on the progress of the National Strategic Plan.</p>	Effective Public Investment	Spain	Toolkit - Country Profiles Public Investment Toolkit - Country Profiles
National Strategy for Regional Development	<p>The National Strategy for Regional Development, co-ordinated by the Ministry of Transportation, Construction and Regional Development, acts as a vertical co-ordination instrument for regional development, as its elaboration is expected to involve sub-national actors and its priorities are expected to be reflected in Programmes for Economic and Social Development articulated at the regional and local levels. To date there has been a lack of financial resources clearly dedicated to its implementation. Such financing is envisaged for the implementation of the updated National Strategy for Regional Development currently under government review.</p>	1	Slovak Republic	Effective Public Investment Toolkit - Country Profiles
National strategy for sustainable regional development throughout Sweden	<p>The National strategy for sustainable regional development throughout Sweden 2021–2030 is the framework for the regional development policy until 2030. The national strategy was submitted by the previous government in March 2021 in the form of a letter (skr. 2020/21:133) to the Riksdag (parliament). The Riksdag approved it in June of that year in accordance with the proposal of the Committee on Industry and Trade. The strategy highlights three basic prerequisites for effective implementation:</p> <ul style="list-style-type: none"> – capacity for regional and local development work - regional consideration and cooperation between state agencies, regions and other actors, as well as 	1	Sweden	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
2021–2030	<p>– learning through analysis, follow-up, evaluation and research.</p> <p>In the strategy, there are four strategic areas that will form the basis for the implementation of the regional development policy 2021–2030. The strategy with its strategic areas and priorities is indicative for the regional development strategies of the regions.</p> <ul style="list-style-type: none"> - equal opportunities for housing, work and welfare throughout the country - competence supply and competence development throughout the country <p>– innovation and renewal as well as entrepreneurship and business development throughout the country</p> <p>- accessibility throughout the country through digital communication and the transport system.</p>			
New Regional Policy	<p>The New Regional Policy of Switzerland was adopted in 2006 through the Federal Law on Regional Policy (<i>Loi fédérale sur la politique régionale</i>) and implementation began in 2008. The NPR contributes to and is based on the principle of coherent regional development. It promotes both horizontal and vertical collaboration.</p>	1,2,3	Switzerland	<p><i>Conseil fédéral (2024),</i> <i>Politique des agglomérations et politique pour les espaces ruraux et les régions de montagne : contribution de la Confédération au développement cohérent du territoire 2024–2031</i></p>
National Strategy for Regional Development (2014-2023)	<p>The National Strategy for Regional Development (2014-2023) seeks to ensure national level co-ordination for regional development and regional competitiveness; strengthen links between spatial and socio-economic development policies; and establish a general framework for sub-scale plans. Under the co-ordination of regional development agencies, regional plans for this nine-year period are being produced for all sub-regions (NUTS I) within the framework of the National Strategy for Regional Development and the Regional Planning Guidelines.</p>	1	Türkiye	Effective Public Investment Toolkit – Country Profiles
Growth Pole Support Program	<p>Growth Pole Support Program priorities considering local conditions and needs of the growth poles. Projects prepared by public institutions and organizations, development agencies, foundations, universities, municipalities and local government units, etc., are supported.</p>	1	Türkiye	Effective multi-level public investment (2019)
Producing Cities Program	<p>Producing Cities Program has been designed for the cities that have high capacity of manufacturing and exportation although they are not among the highest developed cities. The Program has been implemented since 2021 in 13 cities. The objective of the Program is locating these cities at a higher level of medium and high technology value chains, and increasing their capacity of domestic manufacturing and also promoting the integration of them with global value chains provides the opportunities to increase their competitiveness and strengthen export capacity.</p>	1	Türkiye	Questionnaire on Effective Public Investment (2024)
Program for Supporting	<p>Program for Supporting Social Development is a thematic support program which is programmed at central level and it has been implemented since 2019 in all cities in Türkiye. Directorate General of Development Agencies</p>	1	Türkiye	Questionnaire on Effective Public Investment (2024)

Title	Description	Related principle/s	Country	Source / Link
Social Development	is responsible for the development and implementation of the program by determining implementation rules and procedures and it has been implemented by means of Development Agencies. The main purposes of the are ensuring integration of disadvantaged parts of society to economic and social life, increasing employability, supporting social inclusion, social entrepreneurship & innovation and dissemination of social responsibility activities.			
Principle 2	Adopt effective co-ordination instruments across levels of government			
Council for the Australian Federation (CAF)	In October 2006, the States established a Council for the Australian Federation (CAF), comprising all the State Premiers and Territory Chief Ministers. The CAF aims to facilitate COAG based agreements with the Commonwealth by working towards a common position among the States, as well as common learning and sharing of experience across States. The CAF provides a forum for dialogue between States and Territories and contributes to the COAG reform agenda through sponsoring policy analysis, collecting best practice policies, and contributing to the policy agenda.	2	Australia	Effective Public Investment Toolkit - Country Profiles
Co-ordination meetings for EU funds	In Flanders, the overall co-ordination of all the EU funds will be done at a yearly high-level co-ordination meeting organised by the Flemish government bringing together the management committees of the different funds. For the Integrated Territorial Investments in particular, in Limburg, the provincial committee of Limburg including all the partners of the Limburg Taskforce will be involved. In Kempen and West-Vlaanderen, there will be the Flemish Agency Enterprise and the Flemish Ministry on Spatial Planning with the involvement of the relevant management committees.	2	Belgium – Flanders	Effective Multi-level Public Investment (2019)
Framework to Build a Green Prairie Economy	The Framework to Build a Green Prairie Economy represents an opportunity to renew how the Government of Canada collaborates with people on the Prairies to deliver results that sets up the Prairies as a world leader in the green economy. It proposes a model that will guide federal government engagement and action.	2	Canada	Questionnaire on Effective PI (2024) Framework to Build a Green Prairie Economy
Use of contractual arrangements across levels of government	In Canada, there are two instruments: one horizontal and the other vertical. The provinces meet amongst themselves to determine investment priorities, while federal arms of the government are represented in the provinces, via structures such as the regional federal councils or the regional development agencies. Their interests lie not only in representing the central government’s priorities in the provinces but also in conveying provincial preferences to the federal authorities. Tri-partite agreements are formal contractual arrangements among federal, provincial, and local authorities for implementing policies.	2	Canada	Effective Public Investment Toolkit - Country Profiles
Climate Lens	The Climate Lens is a requirement for projects seeking funding through the Investing in Canada Infrastructure Program and the Disaster Mitigation and Adaptation Fund, and was a requirement under the Smart Cities Challenge. This initiative seeks to encourage consideration of climate impacts and low-carbon and resilience measure options in the planning of infrastructure projects. The programme places a condition to undertake a greenhouse gas mitigations assessment and/or a climate change reliance assessment for certain types of projects.	2	Canada	Unlocking Infrastructure Investment (2021); Climate Lens – Investing in Canada Infrastructure Program, General Guidance Version 2.1

Title	Description	Related principle/s	Country	Source / Link
				(2023) The Climate Lens – Disaster Mitigation Adaptation Fund, Guidance v 2.1 (2023)
Local government reform	<p>In 2015-2017, local government reform was implemented in Estonia. The purpose of the administrative territorial reform was to raise the capacity of local governments to provide public services, utilise the development opportunities in the regions, increase competitiveness and support more even regional development. The Administrative Reform Act adopted by the parliament in 2016 stipulated that the minimum size of a local government should be 5,000 residents, with a recommended size of 11,000 residents. The reform took place in two stages: (1) voluntary merger decisions initiated by the local councils themselves, and (2) mergers initiated by the central government if local governments failed to meet the required 5,000 residents. All these mergers entered into force after the regular local council elections held in autumn 2017. 185 local governments took part of the process (some of them were above minimum criteria but merged with a neighbouring smaller municipality). The number of local governments in Estonia decreased from 213 to 79. Merger grant was provided for local governments that merged voluntarily. About 64,5 million euros was paid out during 2017-2019, from which most was spent on local government investments, but some also for severance pay and to cover other expenses of the merger. The heads of local governments who resigned after the merger were paid compensation in the amount of up to one year's salary. No merger grants were paid upon mergers initiated by the central government and the state only compensated these municipalities for the direct expenses of the merger.</p> <p>The operations of county governments that represented the central government in the regions (counties) were terminated in parallel with the local government reform as of 1. January 2018, and their functions were transferred to other state authorities or to local authorities. The local authorities acquired a larger role and greater responsibility in planning the development of the county they are situated in.</p>	2	Estonia	Questionnaire on Effective PI (2024)
State-region plan contracts	<p>State-Region Plan Contracts (CPER) have been in existence since 1982, and are important tools of regional policy in terms of planning, governance and co-ordination. They are characterized by their broad thematic coverage and cross-sectoral nature, with a territorial approach applied to a variety of policy areas, including industrial, environmental and rural issues. The DGCL is responsible for the interministerial management of the CPERs. The President of the Regional Council and the Prefect, as representatives of the various central government ministries, sign the contract. Co-financing of interventions is seen as an important co-ordination mechanism.</p>	2	France	Toolkit for effective public investment - Country profiles
Contract for the success of the ecological transition (CRTE)	<p>These contracts between the State and local authorities have been designed to play a strategic and integrating role. As such, they are intended to become the common roadmap for actions to be carried out on an inter-municipal or multi-municipal scale, in order to provide a cross-cutting response to the challenges of territorial cohesion and ecological transition. They are also intended to organize public action on a catchment scale, based on a strengthened partnership between the State and local authorities. Lastly, they are designed to be constantly adapted to the changing priorities and challenges of local players.</p>	2	France	<p>Questionnaire on Effective PI (2024)</p> <p>Le CRTE, un contrat au service des territoires et de la mise en œuvre de la planification écologique Agence nationale de</p>

Title	Description	Related principle/s	Country	Source / Link
				la cohésion des territoires (agence-cohesion-territoires.gouv.fr)
New generation of city contracts	<p>Urban policy is designed to meet the challenges of social cohesion, urban renewal, quality of life, employment and economic development.</p> <p>Implemented by the Agence nationale de la cohésion des territoires (French national agency for territorial cohesion), it also brings together all partners - in particular local authorities, the relevant ministerial departments and their operators, as well as players from civil society and the business world - whose skills and resources are likely to bring about positive change in the situation of the priority district and its inhabitants. These partnership commitments are formalized in the city contract. A new phase of contractualization is underway and will be implemented in the first half of 2024. At national level, interministerial mobilization is ensured through the Comité interministériel des villes (Interministerial Committee for Cities).</p> <p>Although it has its own resources, the Urban Policy is above all embodied by the strengthened and adapted mobilization of all sectoral policies. In this way, it represents a territorial approach to public policy. To reinforce this territorialization and ensure that residents of priority neighborhoods have access to public action measures, it deploys specific measures and finances actions generally carried out by associations.</p>	2	France	Toolkit for effective public investment - Country profiles
Joint Task for the Improvement of Regional Economic Structure (GRW)	<p>The Joint Federal/Länder Task for the Improvement of Regional Economic Structures (GRW), established in 1969, serves as the backbone of regional structural policy in Germany and addresses structurally weak regions. Based on a joint co-ordination framework, the GRW offers a broad range of funding instruments for private and public investment, regional services of general interest and strategies that regions can use to meet their specific needs. It is based on the cooperation between the Federation and the Länder anchored in the German Constitution and is jointly financed by the Federation and the States. Since a major reform in 2022, the GRW pursues three objectives: (1) creating and safeguarding jobs, boosting growth and prosperity; (2) offsetting disadvantages affecting commercial activity; (3) accelerating the transition to a climate-neutral and sustainable economy.</p>	2	Germany	Effective Public Investment Toolkit - Country Profiles
Institute of Regional Development	<p>The Institute of Regional Development monitors and researches regional development in Iceland. It aims at strengthening local authorities through financial support for long-term large projects (either by credit or other forms of financing), implement government goals, and establish regional development strategies. It supports projects from regions (predominantly rural), and projects from eight industrial regional development agencies that include municipalities, federations of municipalities, trade unions, business concerns, etc.</p>	2	Iceland	Effective Public Investment Toolkit - Country Profiles
Contracts across levels of government	<p>Italy has a strong tradition of contractual agreements to commit national and regional public administrations to a common framework of interventions. Programme framework agreements, and the more recent institutional contracts (with longer term horizons and encompassing multiple regions), are acts signed by the central and regional authorities that define objectives, sectors and areas for infrastructure development. They provide a clear schedule and well defined reciprocal commitments to be followed by the region and the central administration to develop specific interventions</p>	2	Italy	Effective Public Investment Toolkit - Country Profiles
Regional	The Regional Revitalization Town project is a collaborative initiative between multiple central government	2	Korea	Questionnaire on Effective Public

Title	Description	Related principle/s	Country	Source / Link
Revitalization Town	<p>ministries and local governments aimed at promoting balanced regional development and improving residents' quality of life. The project involves creating liveable residential and amenity complexes in various regions.</p> <p>Spearheaded by the Presidential Committee for Decentralization and Balanced Development and the Ministry of Land, Infrastructure and Transport, the initiative has been ongoing since 2023. Currently, the Ministry of Land, Infrastructure and Transport, along with seven other ministries, are working together to integrate their regional support projects.</p> <p>The project begins with local governments designing town plans that leverage their unique and specialized local resources. These plans are then reviewed by the eight related ministries, which collectively provide integrated support for the proposed plans.</p> <p>The support ranges from basic infrastructure development, such as roads and water/sewer systems managed by the Ministry of Land, Infrastructure and Transport, to the construction of community facilities like gyms and cultural centers, as well as job creation and caregiving services. This collaborative approach ensures the creation of a residential complex that offers a comprehensive blend of “housing, community infrastructure, and services.”</p> <p>Once a town plan proposed by a region is finalized through ministry review, a Regional Development Investment Agreement is established between the central government ministries and the local government, defining the rights and responsibilities of all parties involved.</p> <p>In cases where disagreements arise among the project participants, the Presidential Committee for Decentralization and Balanced Development and the Ministry of Land, Infrastructure and Transport, acting as coordinating bodies, gather and mediate the opinions of the collaborating institutions.</p> <p>The significance of the Regional Revitalization Town project lies in its establishment of a cooperative framework between the central and local governments and among the central government ministries. It serves as a streamlined platform that consolidates previously scattered regional support projects, making them more accessible and efficient.</p>			Investment (2024)
Multi-level dialogue	<p>There are two formal annual meetings between central government ministers and local government representatives in New Zealand. These allow for concentrated discussion of strategic priorities, beyond the routine operational interactions between the two. The Central Government – Local Government Forum brings together ministers and representatives of local authorities from across the spectrum. (Councils in New Zealand vary widely by size, location and urban/rural population.) The half-day Forum is often hosted by the Prime Minister. The meeting’s agenda varies according to the key issues of the day, from economic development to</p>	2	New Zealand	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
	current regulatory reforms. The Auckland Forum is a similar half-day meeting, normally hosted by Auckland Council. It provides a forum for focused dialogue on the critical issues facing Auckland (New Zealand's largest city, with approximately one-third of the population). Auckland's scale means that alignment of priorities and resources between central government and the Auckland Council is vital for achievement of desired economic, social and environmental outcomes			
Co-financing arrangements	Co-financing between national and subnational government is largely confined to transport funding, both for public transport and the maintenance, renewal and construction of roads. Resources come from a hypothecated fund (The Land Transport Fund (LTF) made up of taxes on petrol, vehicle registration and road user charges. Historically the fund has been shared equally between central and local government. The fund is allocated on a weighted basis so that subnational governments representing low socio-economic communities receive proportionally more. All funding is matched so that transport investment is cofounded with a proportion met from the LTF and a proportion funded from property taxes. From time to time various national governments have established contestable funds to assist with the capital costs of building new infrastructure, particularly water infrastructure, in poor and/or small communities. The rationale for such scheme is generally based on the fiscal capacity of councils and communities.	2	New Zealand	Effective Public Investment Toolkit - Country Profiles
Programming Contract	Programming Contract is a territorial instrument ensuring co-ordination of development policy. Programming Contract is an agreement signed between the government and the voivodeship self-government. Regulates the parties' obligations in the field of regional policy implemented in the voivodeship, indicates the allocation of regional program in the EU financial perspective 2021-2027 and priority projects of particular importance for the development of the voivodeship and country.	2	Poland	Effective Public Investment Across Levels of Government (2019) Act on principles of development policy (Journal of Laws of 2006 No. 227 item 1658, as amended): https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=wdu20062271658
Platform Dialogue	Poland introduced in 2007 a forum for vertical co-ordination of strategic programming for EU investment funding, named the Committee for Co-ordination of the National Development Strategy. The Committee for Co-ordination of the National Strategic Reference Framework is headed by the Ministry of Regional Development and includes representatives of various ministries, sub-national authorities and economic and social partners. Its mission is to monitor the implementation of the development strategies and ensure complementarities between the operational programmes and sectoral policies. In addition, a so-called "demarcation line" has been used as a somewhat "soft" mechanism for co-ordination, demarcating the tasks of each level of government and the fields of intervention for each of the operational programmes in order to avoid duplication.	2	Poland	Effective Public Investment Toolkit - Country Profiles
Territorial Co-ordination Council	The Territorial Co-ordination Council in Portugal is the political body to promote consultation and concertation between the Government and the different political institutions, at regional and local levels. It's role was reinforced with the purpose to accommodate the centrality that it will have in the co-ordination between the Government and CCDR,I.P.	2	Portugal	Effective Public Investment Across Levels of Government (2019)

Title	Description	Related principle/s	Country	Source / Link
				Decreto-Lei n.º 35/2023
Contratos para o Desenvolvimento e Coesão Territorial	The <i>Contratos para o Desenvolvimento e Coesão Territorial</i> are contracts between the Inter-municipal Communities and Central Government, through Managing authorities of Regional Programmes	2	Portugal	Effective multi-level public investment (2019) Decreto-Lei n.º 5/2023
Contratos-programa Governo Central/CCDR	The articulation between national public policy measures, objectives, goals and priorities and their operationalization and implementation at regional level is ensured through a program contract, signed between the government and the CCDR, I.P.	2	Portugal	Questionnaire on Effective PI (2024) Decreto-Lei n.º 36/2023
Sectoral conferences	Sectoral conferences bring together regional ministries with their central government counterpart. Among their activities are to: i) agree on the implementation of national legislation that affects regional competences; ii) approve, monitor, and evaluate joint plans and programs; iii) to participate in defining the territorial assignment of central government grants; iv) exchange information between central and regional governments; v) formulate joint positions that will be considered by the central government at the European level as well as to transpose European policies at the regional level. These sectoral Conferences are the most important of Spain's co-ordination arrangements.	2	Spain	Effective Public Investment Toolkit - Country Profiles
Co-operative agreements between the central government and the Autonomous Communities (ACs)	The convenios de colaboración in Spain are co-operative agreements between the central government and the Autonomous Communities (ACs). They are negotiated on a sectoral basis, distributed between the different Spanish ministries. Upon the signature, central government provides funds, which are earmarked. They are flexible, because they can be re-negotiated between the parties without having to start the process and transparent, as they are published in the Official Bulletin of the central government. According to law, each convention must have a monitoring commission responsible for solving problems of interpretation and compliance with the terms of the deal. There is a wide range of examples, ranging from transactional to relational contracts: Several bilateral agreements have been used in the context of promoting Science & Technology between national and subnational governments	2	Spain	Effective Public Investment Toolkit - Country Profiles
Contractual arrangements	The 2011 Law on regional development contributed to improve vertical and horizontal co-ordination of regional policy. Vertical relations are to be organised in terms of RDPs, and contractual agreements between “development regions” and the central government. The Law enhanced the focus on contractual arrangements (“Agreements on Development of Regions”) for the national co-financing of regional projects. These contracts complement the RDP, would be established for three years, and would be approved by the national government (through the proposed inter-ministerial committee) and the regions (via regional development councils). These agreements aim at bringing together sectoral projects with significant regional impacts as well as EU projects funded in a region. The first Agreements on Development of Regions were signed in 2017. The procedure turned out to be a bit	2	Slovenia	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
Platform for dialogue between the central government and regional actors	lengthy and complicated. There is an intention to streamline the procedure, within the scope of the changes of the Act on Stimulating Balanced Regional Development", which is currently under preparation. The 2011 Law created a “territorial or regional development dialogue” that would involve negotiations between the central and regional actors focusing on the development specialisation of the region. The goal would be to generate a permanent fora for bringing regional issues before the Government.	2	Slovenia	Effective Public Investment Toolkit - Country Profiles
Forum for sustainable Regional Development 2022–2030	The Forum for sustainable Regional Development 2022–2030 brings together national and subnational (regional) governments. One part of the forum is for high-level politicians and one is for high-level civil servants. Both instances meet four times a year. The forum serves as a platform multi-level governance and co-ordination of sectoral policies. It is an ongoing political and strategic dialogue among national and regional representatives, for which the national strategy and the Regional Development Programmes are the starting points.	2	Sweden	Effective Public Investment Across Levels of Government (2019)
Contractual arrangements	The New Regional Policy is largely based on contractual arrangements between the Confederation and cantons (with regions). The NRP is implemented via a multi-annual (eight-year) programme developed by the State Secretariat for Economic Affairs (SECO), with the input of cantons. The federal government invites all cantons to submit an implementation programme to the federal government in order to apply for funding. These must align to the multi-year programme and meet a variety of criteria, including evidence of efforts toward sustainable development. In 2007, all but three cantons participated. Proposed programmes were not fully funded since cantons requested a total of CHF 293 million in loans (147% of available funds) and CHF 148 million in grants (201% of available funds). Based on the implementation programme, a programme agreement (convention-programme) is signed between the Confederation and the canton. This negotiated four-year contractual arrangement lays out the objectives, key milestones, management processes, the timetable, and the financing	2	Switzerland	Effective Public Investment Toolkit - Country Profiles
Rural Partners Network	To transform how the federal government partners with and delivers economic opportunity for rural communities across the United States, the Rural Partners Network (RPN) brings the federal government to rural America. New federal field staff are placed in more than 25 rural communities in multiple U.S. states, Tribal Nations and territories to help local leaders navigate and access the federal resources they need to build a strong and vibrant economy. Through this unique partnership, RPN staff also identify challenges preventing rural communities from accessing federal support to inform the work of the Rural Prosperity Interagency Policy Council, a whole-of-government task force that will ensure rural places are prioritized in Washington. RPN communities will have a new direct line to D.C. to foster a federal government that delivers for all rural communities.	2	United States	Effective Public Investment Toolkit - Country Profiles
Principle 3	Co-ordinate across SNGs to invest at the relevant scale			
National	National network of urban development specialists is an informal multilevel governance and collaboration	3	Estonia	Questionnaire on Effective PI

Title	Description	Related principle/s	Country	Source / Link
network of urban development specialists	platform, involving the representatives from central government body responsible for regional and urban development policy (Ministry of Regional Affairs and Agriculture), the Association of Estonian Cities and officials from city administrations of 20 Estonian largest cities being in charge of urban development and planning. The network performs as a multilevel consultancy platform mostly in form of joint seminars and written consultations on various policy issues of urban development at local, national and EU/international level.			(2024)
Drawing up inter-municipal plans for coordinated medium-term development	In France, the SCOT sets the broad guidelines for the organization of an intercommunal area over a 10-year period. Local urban development plans (PLU), local urban travel plans and housing plans must be compatible with the SCOT to be valid and applied. The SCOT is made up of a diagnosis and an orientation report, as well as a planning and sustainable development project (PADD). The decision to draw up a SCOT is taken by a resolution of each municipal assembly in the territory, by a two-thirds majority in each commune. The intermunicipality is the main player, with other public bodies (State, regions, départements, etc.) involved in their preparation. In addition, the opinions of the prefect (representative of central government at territorial level), the president of the regional assembly (president of the regional council), the president of the departmental assembly (president of the departmental council) and the mayors are heard. After public hearings, the SCOT is approved by the intercommunal body.	3	France	Toolkit for effective public investment - Country profiles
Public Establishment for Intercommunal Cooperation (EPCI)	France, with over 36,000 communes, has some 2,145 inter-communal structures with their own tax system, designed to facilitate horizontal cooperation. 99.8% of communes belong to such structures. Each grouping of communes constitutes an "établissement public de coopération intercommunale" (EPCI). EPCIs assume limited, specialized and exclusive powers transferred to them by their member communes. They are administered by delegates of the municipal councils, and must be approved by the State to exist legally. To encourage municipalities to form an EPCI, the central government provides a basic grant, as well as an "intercommunality grant" designed to avoid competition on tax rates between participating municipalities. EPCIs rely on budgetary contributions from member municipalities and/or their own tax revenues.	3	France	Questionnaire on Effective PI (2024)
Municipal mergers	Municipal mergers enhance economies of scale of investment projects. Municipal mergers are a competence of the Länder. The Land of Saxony-Anhalt reduced the number of municipalities from 814 to 220 in 2010 and 2011.	3	Germany	Effective Public Investment Toolkit - Country Profiles
Sectoral Laws to encourage municipal cooperation	The 2012 Constitution states that sectoral laws may encourage municipalities to merge or co-operate. A threshold of 2000 inhabitants is set for local administration to combine their administrative services.	3	Hungary	Effective Public Investment Across Levels of Government (2019)
Horizontal coordination	In 2012, governmental offices were established in the capital and each county, which are operating as the Government's administration bodies with general competence. In 2013, governmental offices were set up at micro-regional (district) level as well, which means the local bodies of central public administration. Most of the former territorial administrative bodies were integrated into this renewed system. The customer service tasks of the governmental offices are provided in a "one stop shop" system: more than 200 different types of cases (applications, notifications, etc.) can be arranged on the same spot.	3	Hungary	Effective Public Investment Toolkit - Country Profiles
"Reducing	The "Reducing Greenhouse Gas Emissions in Lighting Infrastructure in Public Territories of Municipalities"	3	Latvia	Effective Public Investment

Title	Description	Related principle/s	Country	Source / Link
Greenhouse Gas Emissions in Lighting Infrastructure in Public Territories of Municipalities ” programme	programme provides financial support to municipalities in introducing lighting infrastructures to reduce electricity consumption, thus reducing GHG emissions. The programme started in 2012; it finances up to 70% of total eligible costs of investment projects (from LVL10000 to LVL350000).			Toolkit - Country Profiles
Horizontal co-operation across regions and across municipalities	Basilicata provides successful examples of horizontal co-operation across regions and across municipalities. Co-ordinated actions between regions in the south of Italy are needed to implement broad projects in meta-areas. A good example of horizontal co-operation is the Inter-Regional Programme Agreement on Water Management signed in 1999 by Puglia and Basilicata. At the sub-regional level, there is also a long tradition of horizontal co-operation among municipalities, which takes the form of the programming areas (Unione di comuni), intermediary institutions grouping adjoining municipalities. Such mechanisms represent an essential tool to reach critical mass, improve public governance, increase the contracting powers of local authorities and involve them in regional decision making	3	Italy	Effective Public Investment Toolkit - Country Profiles
Simplification of the territorial organisation	Law 95/2012 proposes to reduce the number of Italian provinces from the current 86 to 51 through the merging of small contiguous provinces within the same region to reach at least 350 000 inhabitants or 2 500 km2. The provinces will maintain responsibility for territorial planning, transport and schools. The political governments will be abolished and substituted by the appointment of three councillors. The reform of the provinces is currently under discussion in the Parliament. Ten of the fifty-one provinces will have a special institutional organisation as metropolitan areas (Città metropolitana): Rome, Turin Milan, Venice, Genoa, Bologna, Florence, Bari, Naples and Reggio Calabria. Metropolitan cities have been planned since 1990; however actual implementation remains to be achieved. Their creation was delayed by the 2013 National Stability Law to 2015.	3	Italy	Effective Public Investment Toolkit - Country Profiles
National Strategy for Regional Development	The new National Strategy for Regional Development imposes the obligatory co-operation between the municipalities expressed in the common local strategy and implementation plans as a condition to receive financing.	3	Poland	Effective multi-level public investment (2019)
Cooperation across local governments for investment	Sub-national governments can work by setting up a syndicate. Syndicates are the most frequently used form of cooperation. They are established to fulfil sub-national governments’ tasks such as water provision and treatment, public transport, gas distribution, telecommunications and environmental protection. Syndicates are financed by fees or grants from its members, and by revenues from its activity	3	Poland	Effective Public Investment Toolkit - Country Profiles
EC partnership agreement to foster inter-	The partnership agreement with the EC will be used to promote inter-municipal cooperation, using EU funds as an incentive, following a positive experience in the previous programming cycle. The aim is to overcome fragmented and/or overlapped municipal level investments	3	Portugal	Effective Public Investment Toolkit - Country Profiles Partnership Agreement Portugal/

Title	Description	Related principle/s	Country	Source / Link
municipal cooperation				EU (PT2030);
Indirect election of the Boards to increase regional stakeholders representation	Indirect election of the president and 2 vice presidents of CCDR, I.P. and 2 other designated by the president. The president and 2 vice presidents are indirectly elected by representatives of municipalities and the members of the regional council.	3	Portugal	Questionnaire on Effective PI (2024) Decreto-Lei n.º 36/2023
Adjustment of geography for statistical purposes (NUTS) to the administrative circumscriptions of CCDR	Promotion of the coherence of the territorial circumscriptions of CCDR) with statistical geography (NUTS)	3	Portugal	Questionnaire on Effective PI (2024) Lei n.º 75/2013
Joint municipal offices	Slovakia employs inter-municipal co-operation to increase efficiency of public service provision. “Joint municipal offices” involve the voluntary association of two or more municipalities or the purposes of managing functions delegated from the state. These offices are “headquartered” in a single municipality, but serve multiple participating municipalities. They are frequently (but not always) multi-purpose offices performing functions in a number of different domains. As of May 2014, there were 233 JMOs in Slovakia implementing co-ordination arrangements covering 21 different domains, mostly focusing on public service provision. Cross-jurisdiction co-ordination for capital investment may result not only through JMOs, but also through medium-term strategic planning processes for regional Programmes of Social and Economic Development which bring together stakeholders in the region, including local governments.	3	Slovak Republic	Effective Public Investment Toolkit - Country Profiles
Cooperation across regions	To promote horizontal co-ordination the 2011 law encourages co-operation among regions and ministries in order to prepare inter-regional projects or a common development programmes.	3	Slovenia	Effective Public Investment Toolkit - Country Profiles
Inter-municipal co-operation	In Slovenia, inter-municipal co-operation has risen in recent years, in particular for projects that require a large number of users. In 2005, amendments to the Financing of Municipalities Act provided financial incentives for joint municipal administration by offering national co-financing arrangements: 50% of the joint management bodies’ staff costs are reimbursed by the central government to the municipality during the next fiscal period. The most frequently performed tasks are inspection (waste management, roads, space, etc.), municipal warden service, physical planning and internal audit.	3	Slovenia	Effective Public Investment Across Levels of Government (2019)
Voluntary Inter-municipal co-	The regional government of Galicia has encouraged economies of scale by improving the flexibility of for voluntary inter-municipal co-ordination arrangements while providing financial incentives to encourage them. Investment projects that involve several municipalities get priority for regional funds.	3	Spain	Effective Public Investment Across Levels of Government (2019)

Title	Description	Related principle/s	Country	Source / Link
ordination arrangements	“Soft” inter-municipal agreements tend to be popular in the water sector. Local co-operation is also being encouraged in the urban mobility plan for public transport, involving the seven largest cities in the region. The regional government also created the Metropolitan Area of Vigo, an association of 14 municipalities. Although the metropolitan area was defined by the regional government, it was based on a history of “light co-operation” among 12 municipalities (out of 14).			
Cooperation across regions	Three major mechanisms are currently in use, i) cantonal conferences, ii) inter-cantonal concordats, and iii) cross-border co-operation, and efforts to promote further inter-cantonal collaboration are in place. Existing inter-cantonal concordats are mostly bilateral tax treaties aimed at eliminating double taxation or are focused on joint initiatives for physical infrastructure.	3	Switzerland	Effective Public Investment Toolkit - Country Profiles
Federal Agglomeration Policy	In 2011 and 2024, the Federal Council decided to renew the Federal Agglomeration Policy, adopting a strategy up to 2031 and an action plan. The aim is to address territorial challenges within functional areas in a comprehensive, coherent and coordinated manner. The new strategy pursues five objectives over the next eight years: i) to guarantee the population a high quality of life; ii) strengthening economic attractiveness and competitiveness; iii) preserve, protect and enhance the landscape and natural resources within and outside the built environment; iv) advance climate protection and adaptation to climate change; v) strengthen the diversity of society and the cohesion of regions. The Federal Council's action plan complements the sectoral policies. One of the six measures in the action plan is the development of the Urban Traffic Programme, which finances transport infrastructure in urban areas to meet the needs of an increasingly mobile population. Another measure is the programme of Model Projects for Sustainable Spatial Development, which supports cantons' and municipalities' projects to address current challenges. The measures also includes transferring experiences from model projects to other regions, as well as the Rural Spatial Development Process, which enables rural areas to identify their potential and then develop strategies to exploit it.	3	Switzerland	regiosuisse (2024), Développement cohérent du territoire - – une concertation entre Confédération, cantons, régions, communes et privés ; regiosuisse (2024), La Confédération a une nouvelle stratégie pour les agglomérations, les espaces ruraux et les régions de montagne
Metropolitan Municipality Act amendment	In Türkiye, the Metropolitan Municipality Act was amended in 2012 to improve efficiency, and better integration of spatial development, co-ordination and quality of services through economies of scale in cities having more than 750 000 inhabitants. With the reform, the number of metropolitan municipalities has been increased from 16 to 30. Administrative boundaries of metropolitan municipalities have been extended to provincial boundaries (covering rural as well as urban areas).	3	Türkiye	Effective Public Investment Across Levels of Government (2019)
Principle 4	Assess upfront long term impacts and risks			
NBN Regional Co-investment Fund	NBN Co. has developed a dedicated AUD 300 million fund to support Federal, State and local governments and agencies to upgrade digital capacity in regions and remote areas. The fund is administered by NBN Co, which is responsible for developing Australia’s national broadband network. The fund co-funds projects based on an assessment against a pre-defined commercial investment benchmarks. The fund is designed to facilitate equitable access by all states and territories, and levels of government, and includes a defined maximum	4	Australia	Unlocking Infrastructure Investment (2021)

Title	Description	Related principle/s	Country	Source / Link
Ex-ante appraisals	allocation for each state and territory based on a formula related to the investment need. In Victoria, strong ex ante monitoring mechanisms are in place, especially through an innovative High Value/High Risk (HVHR) process used for certain investments. Under the new HVHR introduced 2010, investment projects with a value above a defined threshold or which are deemed to be high risk undergo rigorous scrutiny and approval processes, with increased oversight over various stages of investment development, procurement and delivery. The focus of this new process is to enhance ex ante control, improving the business case for major investments. The business case process also includes the development of performance indicators, creating the basis for monitoring infrastructure performance after implementation. Ex post evaluation has not been extensively used, in particular to evaluate the overall performance of PPPs.	4	Australia	Effective Public Investment Toolkit - Country Profiles
Tools to improve Federal Programming	Canada has gradually deployed increasingly sophisticated forms of assessment, analysis, training and tools to improve the inclusivity and overall performance of federal programming. this effort includes a broad definition of inclusivity that considers the intersectionality of many of these issues including for differential impacts across regions. Training is provided to federal staff to support their work in this area.	4	Canada	Effective Public Investment Across Levels of Government (2019)
Infrastructure British Columbia (BC)	Infrastructure BC supports the public sector in meetings its infrastructure needs by partnering with the private sector in the procurement of complex capital projects. Infrastructure BC is owned by the Province of British Columbia and reports to the BC Minister of Finance as its sole shareholder.	4	Canada	Effective Public Investment Toolkit - Country Profiles
Special county development organizations	Special county development organizations have been established in all counties to elaborate integrated county development strategies and monitor their implementation process, incl. the impacts and results. These organisations also elaborate the development strategy of the functional urban area(s) of the county as part of the county development strategy. This requirement is especially for the counties which host larger urban areas of Estonia. The development strategies of the functional urban areas are used to plan investments into the specific urban areas from the EU Cohesion Policy funds, these are set as a pre-requisite for applying for EU grants. Guidelines for elaborating the strategies have been prepared by the ministry responsible for regional development (Ministry of Regional Affairs and Agriculture).	4	Estonia	Questionnaire on Effective PI (2024)
Increasing subnational capacities	Support measure „Increasing local and regional capacity“ is implemented to increase the capacity of the local and regional authorities to plan regional development, achieve the goals of the county development strategies and of the development plans of municipalities, and prepare and implement effective projects which contribute to the development of better services, living and business environment, and urban space. The measure finances studies, analyses, hiring experts and other activities.	4	Estonia	Questionnaire on Effective PI (2024)
Special guidelines for sectorial ministries to strengthening place-	Special guidelines have been elaborated for sectorial ministries to strengthening place-based/territorial approaches of their new sectorial grant schemes which are funded from the EU Cohesion Policy funds. The guidelines are aimed at strengthening the impacts and contribution of sectorial policy grant schemes towards a more balanced territorial development. National ministry in charge of regional policy in Estonia (Ministry of Regional Affairs and Agriculture) also supervises the process and provides its expertise and advise to sectorial ministries on how to design territorially more sensitive sectorial grant schemes.	4	Estonia	Questionnaire on Effective PI (2024) Regionaalpoliitika kujundamine Regionaal- ja Põllumajandusministeerium (agri.ee)

Title	Description	Related principle/s	Country	Source / Link
based/territorial approaches				
France Stratégie	An autonomous institution reporting to the Prime Minister, France Stratégie contributes to public action through its analyses and proposals. It stimulates public debate and informs collective choices on social, economic and environmental issues. It also produces public policy assessments at the request of the government.	4	France	Questionnaire on Effective PI (2024) https://www.strategie.gouv.fr/
Parliamentary reports	<p>Since the 2008 revision of the French Constitution, in addition to passing legislation and overseeing government action, Parliament has been tasked with evaluating public policies. To carry out this mission, the National Assembly has set up the Comité d'évaluation et de contrôle des politiques publiques (Public Policy Assessment and Control Committee). The Committee's activities are governed by the Rules of Procedure of the National Assembly (articles 146-2 to 146-7). The Committee is specifically tasked with evaluating public policies with a cross-cutting dimension (e.g., urban policy), whose scope extends beyond the remit of the standing committees. The Committee has three main missions:</p> <ul style="list-style-type: none"> - to carry out evaluation work on cross-cutting subjects, each subject being dealt with by two co-rapporteurs, one of whom is from the opposition; - give its opinion on an impact study accompanying a bill tabled by the Government, at the request of the chairman of the committee responsible for examining the bill or the president of the National Assembly; - act as the Assembly's "control tower" for evaluation and control. In this way, it can gather recommendations from fact-finding missions and make useful proposals concerning the agenda for the week devoted to parliamentary scrutiny. 	4	France	Questionnaire on Effective PI (2024) https://www.vie-publique.fr/fiches/19503-le-comite-devaluation-et-de-controle-des-politiques-publiques
ANCT's prospective factories	Les Fabriques prospectives is one of the engineering services offered by the Agence nationale de la cohésion des territoires. They enable territories to be supported, individually and collectively, to work on a transition (ecological, demographic, economic...) of national and territorial interest. For a period of one year, each Fabrique prospective brings together four to eight volunteer territories supported by a qualified service provider, managed and financed by the Agence nationale de la cohésion des territoires or co-financed by its partners.	4	France	Questionnaire on Effective PI (2024)
Smart Cities Pilot Projects	Established in 2019, the “Smart Cities Pilot Projects” programme supports selected municipalities to foster digitalisation. The programme selected 73 pilot projects in a competitive process, with total funding of EUR 750 million euros. In 2021, 28 municipalities out of 94 applicants were awarded funding, with approximately EUR 300 million available. Funding was allocated based on a multi-stage review process supported by external experts. Funding is tied to a contribution made by each municipality, which is between 10 and 35% of the total value, and depends on the financial capacity of the municipality.	4	Germany	Unlocking Infrastructure Investment (2021)
National Planning Process for Infrastructure	Italy has a new planning procedure to ensure more efficient and effective infrastructure spending. This new national planning process explicitly includes economic project appraisal. The process is made transparent and verifiable and the decision-making criteria (both quantitative and qualitative) are explicit. Expenditure Departments must prepare sectoral appraisal guidelines to define standard	4	Italy	Effective Public Investment Across Levels of Government (2019)

Title	Description	Related principle/s	Country	Source / Link
Spending	procedures for project appraisal in different investment sectors (mobility, energy, water management, etc.). <input type="checkbox"/> e Programming, Evaluation and Analysis Unit (NUVAP) is responsible for providing methodological support to public administrations at all levels, defining national standards for the evaluation of the economic and financial aspects of projects and spreading best practices among the National Evaluation System.			
Ex-ante assessments and SWOT analysis	When implementing EU programs financed by structural funds, ex-ante assessments and SWOT analysis are used to program investments properly. The programming involves a complex system of monitoring and evaluation. For example, in the case of the EAFRD (The European Fund for Rural Development) programming, the indicator system includes more 150 indicators.	4	Spain	Effective Public Investment Toolkit - Country Profiles
Portuguese Strategic Environmental Assessment (SEA)	The Portuguese Strategic Environmental Assessment (SEA) is an instrument that systematically analyses the significant environmental effects of plans, programmes and policies during the drafting process and before they are approved. As an instrument for assessing impacts of a strategic nature, its general objective is to help environmental integration and the evaluation of opportunities and risks of actions in the context of sustainable development. It allows stakeholders to evaluate and compare alternative development options, while these are still in the design phase. The evaluation thus places particular emphasis on the identification of drivers of positive opportunities or impacts, while also identifying the risks or negative impacts that may be associated with the proposals, so that they can be avoided or mitigated.	4	Portugal	Effective multi-level public investment (2019)
Selection of investment projects	Programmes for allocating and using EU funds have increasingly been based on sound analysis of investment needs and identification of adequate progress indicators. They have contributed to improving environmental performance and administrative capacity in Portuguese regions.	4	Portugal	Effective Public Investment Toolkit - Country Profiles
Principle 5	Encourage stakeholder involvement throughout investment cycle			
Regional Precincts and Partnerships Program	The program is a new, non-competitive grants program that seeks to support transformative investment in regional Australia through the development and delivery of precincts. Eligible applicants are required to form partnerships to jointly deliver projects. Partners are encouraged to provide a contribution, either monetary or in-kind, where possible.	5	Australia	Survey on Effective Public Investment Across Levels of Government (2024) Regional Precincts and Partnerships Program
Regional Development Australia (RDA) Committees	The Australian Government, alongside some state and local governments, funds 50 Regional Development Australia (RDA) Committees, representing all regions across the country. These Committees are made up of local leaders who work with all levels of government, business and community groups to support the development of their regions. RDAs are focused on supporting economic and workforce development, local procurement, strategic regional planning and informing government programs and infrastructure investments.	5	Australia	Effective Public Investment Across Levels of Government (2019)
Regional Jobs and	The Regional Jobs and Investment Packages supports the Australian Government's commitment to stimulate economic growth in Australian regions. It is intended to drive economic growth and create jobs in ten pilot	5	Australia	Effective Public Investment Across Levels of Government

Title	Description	Related principle/s	Country	Source / Link
Investment Packages	regions by investing in projects that will diversify regional economies, stimulate long term growth, deliver sustainable employment and enable applicants to enter new markets and sectors. The ten pilots are led by local governments enabling each region to determine local priorities and growth industries to drive economic growth in their region and create jobs			(2019)
National and Regional Permanent Conferences	The National and Regional Permanent Conferences brings together one-table representatives of regional, urban and local governance, as well as economic and social partners and representatives of civil society.	5	Czechia	Effective multi-level public investment (2019)
Public-private boards involved in public investment	In 2007, Denmark sought to promote greater efficiency as well as a more regional approach through municipal reform. Fourteen counties were restructured into five regions, and 271 municipalities reduced to 98. As part of the reform process, each region was required to appoint at least one Regional Growth Forum to guide regional business development strategies and the use of associated regional and EU Structural Funds. By law, the 20-member public private boards include regional and municipal elected officials, business persons, representatives of the higher education and research community, and trade unions. Members are appointed by the Regional Council upon recommendation by the municipalities and social partners. They meet four to six times a year and are supported by the regional administration.	5	Denmark	Effective Public Investment Toolkit - Country Profiles
The Economic, Social and Environmental Council (CESE)	<p>EESC members fall into several categories:</p> <ul style="list-style-type: none"> 52 employee representatives 52 representatives of companies, farmers, craftsmen, the professions, mutual societies, cooperatives and consular chambers 45 representatives for social and territorial cohesion and community life 26 representatives for the protection of nature and the environment. <p>At national level, the EESC has worked on investment-related issues. For example, it published a study on social investment strategy. This strategy aims to better prepare and support individuals throughout their life course, so that they have less to repair if risk arises.</p> <p>In addition, the CESE has shed new light on the different faces of investment, and its analysis highlights three major issues: the attractiveness of the region, the densification of the fabric of driving SMEs, and the enhancement of human capital.</p>	5	France	<p>Questionnaire on Effective PI (2024)</p> <p>Accueil Le Conseil économique social et environnemental (lecese.fr)</p> <p>La stratégie d'investissement social Le Conseil économique social et environnemental (lecese.fr)</p> <p>L'investissement des entreprises Le Conseil économique social et environnemental (lecese.fr)</p>
The Regional Environmental, Social and Economic Council	<p>The Regional Economic, Social and Environmental Council (CESER) is a consultative body reporting to the Regional Council and its President.</p> <p>CESER members are drawn from the region's economic, social, environmental, educational and voluntary sectors.</p> <p>CESER issues opinions on structuring orientations for the region.</p>	5	France	<p>Questionnaire on Effective PI (2024)</p> <p>Quel est le rôle du Conseil économique, social et</p>

Title	Description	Related principle/s	Country	Source / Link
(CESER)	<p>Before being examined by the Regional Council, it is required to give its opinion on :</p> <ul style="list-style-type: none"> - State-Region plan contracts (CPER) ; - regional planning documents and master plans; - the region's various budget documents; - general guidelines in areas on which the Regional Council is called upon to deliberate; - environmental guidelines. <p>The President of the Regional Council may request opinions or studies on any economic, social, cultural or environmental project concerning the region.</p> <p>The CESER may also, on its own initiative (self-referral), issue opinions on any issue falling within the region's remit.</p>			environnemental CESER vie-publique.fr
Regional development co-ordination council	Latvia has developed a Regional development co-ordination council that involves private sector players as well as representatives from Employers' Confederation of Latvia and Latvian Chamber of Commerce and Industry.	5	Latvia	Effective Public Investment Across Levels of Government (2019)
Poland's Regional Social Dialogue Councils	The Poland's Regional Social Dialogue Councils include the voivodeship marshal, representatives of trade unions, representatives of employers' organizations and the province's governor. Their task is to conduct social dialogue on the regional level, which embraces co-operation of representatives of employees, employers as well as local government and governmental authorities (marshal, governor). Representatives can provide opinions on the projects of the voivodeship development strategy and other programs, recommended solutions and proposals for legal changes, among others.	5	Poland	Effective Public Investment Across Levels of Government (2019)

Title	Description	Related principle/s	Country	Source / Link
Agreement for the Development of the Region	Agreement for the Development of the Region'' (ADR) represents a territorial approach within the framework of the EU Cohesion Policy 2021-2027 (officially), beside ITI for urban municipalities and CLLD. ADR was introduced already in the Programming period 2014-2020 but it wasn't officially stipulated as territorial approach in the Slovenian EU Cohesion Policy Programme 2014-2020 as such, but project did receive financing from the EU funds (ERDF and CF). One of the main advantages of this instrument is the engagement of stakeholders in a certain region. This instrument encompasses various measures (investments in various areas, but predominantly infrastructure projects related to providing safe and sustainable drinking water systems, sewage system, sustainable mobility, through investments in cycling lanes, etc.) and represents of combination of bottom-up approach (projects defined by the stake-holders on regional and municipal level) and top-down (so-called sectoral project identified by the dedicated ministry and important for the implementation of the national strategy or programme a specific area but implemented in a certain region due to the regional impact or even having spill-over effect to other regions). Some drawback of the instrument is that the procedure is lengthy and a bit complicated and that not all the relevant needs of the regions are covered (e.g. including soft measures and investments in the domain of social inclusion, sports, tourism, culture etc.)	5	Slovenia	Questionnaire on Effective PI (2024) https://www.gov.si/zbirke/projekti-in-programi/dogovori-za-razvoj-regij/
ITI for urban municipalities C	It represents another territorial approach within the EU Cohesion policy, which started its implementation in the programming period 2014-2020. Association of Urban Municipalities of Slovenia (AUMS) carries out this instrument on the behalf of 12 urban municipalities. The procedure is very efficient and has been identified as a good practice. AUMS was granted a TSI (Technical Support Instrument)) for the project "Improve Efficiency of the ESI Funds Absorption Processes in Slovenia").	5	Slovenia	Questionnaire on Effective PI (2024) https://evropskasredstva.si/izvajanje/celostne-teritorialne-nalozbe/ https://evropskasredstva.si/en/implementation/integrated-territorial-investments/ https://www.zmos.si/projekti/tsi/
CLLD	CLLD instrument represents the third territorial instrument, in addition to the already the two mentioned above. The instrument was introduced in the Programming period 2014-2020 within the framework of the EU Cohesion policy and continues in the 2021-2027 period. CLLD is based on LEADER instrument within the CAP framework. In case of Slovenia LEADER/ CLLD is financed from the three funds: ERDF, EAFRD and EMFF. The main advantage of the instrument is the bottom-up principle of the selection of projects and strong engagement of the relevant stakeholders in the process. Although, the experience form 2014-2020 showed that the procedure is relatively administrative burdensome, there was some streamlining and simplification of the CLLD procedures introduced in 2021-2027 programming period.	5	Slovenia	Questionnaire on Effective PI (2024) https://evropskasredstva.si/lokalni-razvoj-ki-ga-vodi-skupnost-clld/
Principle 6	Mobilise private actors and financing institutions			
Public Private Partnerships (PPP)	Victoria has been a pioneer in PPPs and in the use of other forms of innovative collaboration agreements with the private sector for regional investments. Since PPPs were first used in the state in 2000, they have comprised 10% of infrastructure investment. The state has established Partnership Victoria as a source of standard guidance and policy development for PPPs. One feature of the PPP business case development process is the requirement	6	Australia	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
	that each project establish a “Public Sector Comparator” (PSC) – an independently verified cost estimation of the project assuming conventional contracting. The PSC serves as a benchmark for assessing the value for money of the PPP proposal. Alliance contracting is a method of procuring and managing complex investment projects in collaboration with the private sector. It is 7 characterised by less-specific obligation and enforcement mechanisms and for this reason it is used particularly when uncertainty makes it difficult to specify “hard” transactional contracts. Alliances are extensively used in Australia but a recent study shows that they are often applied in circumstances where more conventional contracting approaches (less costly) could be more suitable.			
Infrastructure Bank	In 2017, Canada created the Canada Infrastructure Bank (CIB), a federal Crown corporation mandated to invest in revenue-generating infrastructure and attract private sector capital to these projects. To date, the CIB has enabled \$36.6B in investment across 79 projects, with roughly equal levels of investment by CIB, private capital and public capital. These investments were done in priority sectors such as clean power, including energy storage and renewables, and green infrastructure, including building retrofits and clean fuels. Across its priority sectors, the CIB funds projects that benefit Indigenous communities, including through the provision of equity loans, and projects that support new housing builds, such as water, wastewater, clean power, and transit.	6	Canada	Effective Public Investment Across Levels of Government (2019)
FINDETER (Sociedad Financiera de Desarrollo Territorial S.A.)	FINDETER is a public development finance agency created in 1989 and owned by the Colombian government and departments to fund significant local and regional infrastructure projects. FINDETER acts as a second-tier lender, encouraging first-tier lenders (commercial banks) to enter into direct relationships with local governments by rediscounting loans that commercial banks make to local borrowers. Therefore, it makes lending to local entities more financially attractive for commercial banks and it allows longer maturities at attractive rates to be offered. FINDETER relies on international financing (Inter-American Development Bank, World Bank, Agence Française de Développement) and financial markets, receiving very high credit ratings.	6	Colombia	Unlocking Infrastructure Investment (2021)
Copenhagen City and Port Development Corporation	The City of Copenhagen established an urban redevelopment agency to use revenues from urban redevelopment project to fund and finance the construction of infrastructure. The corporation uses funds from the sale of public land and assets to invest in a range of infrastructure, including public transport, roads and recreational facilities. The corporation uses land value capture mechanisms, smart land valuation techniques and low-cost financing, with land assets as collateral and supported by city’s AAA credit rating. The corporation operates as a strategic asset manager, staging and sequencing the sale of land and property to maximise value created. Improvements in infrastructure increase the bidding price of assets. For one of its largest assets, the North Harbour, the corporation was able to increase the value of the land by EUR 450 million more than an original estimate.	6	Denmark	Unlocking Infrastructure Investment (2021)
Banque des territoires	Banque des Territoires, one of Caisse des Dépôts' five business lines, plays an important role in mobilizing private-sector players and financing institutions to diversify funding sources and strengthen the capacities of local authorities, notably through: . - Supporting local and regional players: Banque des Territoires supports local and regional players in developing and deploying their projects for the future. It offers a wide range of products and services based on four areas of expertise: advising, financing, operating and securing; - Project financing: The Banque des Territoires plans to mobilize an envelope of over 90 billion euros by 2028 to "put ecology into action and promote territorial cohesion";	6	France	Questionnaire on Effective PI (2024)

Title	Description	Related principle/s	Country	Source / Link
	<p>- support for rural communities: to help rural communities with their projects, Banque des Territoires offers dedicated support and services, such as Rural Consult, which provides day-to-day legal and financial assistance;</p> <p>- diversification of financing sources: Banque des Territoires helps rural communities take a fresh look at debt. For example, obtaining a 60-year loan to renew a water network, which will pay for itself over half a century, is considered sound management.</p>			
Agence France Locale	<p>This local government agency was created by 11 sub-national governments in December 2013 following new banking legislation, and is 100% owned by French local authorities. It was granted a banking license in January 2015. At the end of 2020, Agence France Locale had 411 shareholders, including 2 regions, 10 départements, 12 metropolitan regions and 306 communes (representing 45% of the French population), and more than 4.3 billion euros in loans had been granted since 2015.</p>	6	France	Unlocking infrastructure investment (2021)
Framework for the issuance of green and sustainable bonds	<p>The Île-de-France region is a pioneer in the sustainable finance sector, and was the first to issue a sustainable bond in a public format (in 2012). More recently, the region has developed a framework for issuing green and sustainable bonds, in line with the Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines set out by the International Capital Markets Association. This framework defines the use to which green and sustainable bond proceeds can be put, as well as the project assessment and selection process, product management, and monitoring and evaluation requirements. In April 2021, Île-de-France issued its first tranche under the aegis of its new Green, Social and Sustainable Bonds framework, with a negative rate, underlining its attractiveness.</p>	6	France	Unlocking infrastructure investment (2021)
PD – Berater der öffentlichen Hand GmbH	<p>Federal states may call upon the services of PD, an independent PPP unit. Connecting the units at the federal state level, a federal expertise network (Föderales PPP Netzwerk) exists between the federal government, federal states and municipalities. It helps facilitate reciprocal vertical and horizontal knowledge transfers.</p>	6	Germany	Effective Public Investment Across Levels of Government (2019)
Savings Banks	<p>The savings banks' status is a public entity under the jurisdiction of local governments (municipalities or associations of municipalities). They are typically required to contribute to the economic, social and cultural objectives of their municipalities. They are not profit-maximising but are required to seek profits to strengthen their capital base and be able to expand. Remaining profits are disbursed for social and cultural activities according to rules set out by the Länder. The savings banks are organised in a "bottom-up" fashion, with the savings banks governing their regional associations. The savings banks are sectorally diversified but locally specialised.</p>	6	Germany	Effective Public Investment Toolkit - Country Profiles
Regional development bank	<p>The regional development bank in Brandenburg (Investitionsbank des Landes Brandenburg – ILB) provides support to the regional and local governments. For innovation and R&D investments, for example, although the Land's innovation agency determines the allocation of innovation grants, the ILB manages the application process, especially the financial and technical assessments of the client's application. It also offers support to municipalities in the areas of PPPs and waste/sewage treatment facilities. In the case of waste/sewage treatment, poor investment choices in the past led to financial problems for specialised associations of municipalities. In these instances, the ILB combines consultancy and financing functions when giving grants to help reduce the</p>	6	Germany	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
	debts.			
Local Government Bonds	In Japan, the central government provides significant support to the local government bond system. First, the central government guarantees revenue resources to pay the interest and principal of local government bonds through the local public finance system. The payments of bonds are ensured through the local allocation tax. Specifically, the principal and interest cost of the local government bonds are included in the central transfers to local governments for covering the provision of basic public services and infrastructure. Second, the central government checks and controls the bond issuance. All local governments are required to consult with or notify the Minister of Internal Affairs and Communications (or the prefectural governor) before issuing Local Government Bonds. Local governments in deteriorating fiscal condition are required to obtain an approval for the issuance.	6	Japan	Unlocking Infrastructure Investment (2021)
Japan Finance Organization for Municipalities (JFM)	Japan Finance Organization for Municipalities (JFM) is a joint financing organisation that provides Japanese local governments with long-term finance at low interest rates. It was initially created in 1957 as a government financial institution but was transformed in 2008 into a non-profit organisation and is fully owned by local governments, including the 47 prefectures and a total of 1,741 cities and special wards of Tokyo, government-designated cities, as well as towns and villages. Local governments must, in principle, receive consents or approvals of the Minister of Internal Affairs and Communications or their respective prefectural governors when they borrow from JFM. Within this structure, JFM has never had a default since its establishment. JFM plays a key role in the public sector finance at subnational level in Japan. In fiscal 2022, JFM provided loans totaling USD 11.9 billion, representing around 17% of the Local Government Borrowing Programme defined annually by the national government.	6	Japan	Unlocking Infrastructure Investment (2021)
Pooling to attract institutional investors	In 2014, eight local municipal water utilities in the Veneto region in Italy joined together to raise finance through a ‘hydrobond’. To achieve this, the municipal companies pooled mini bonds into a Special Purpose Vehicle (SPV) and jointly issued a EUR 150 million bond on the capital market. This has financed 728 individual infrastructure investments in the region’s integrated water system from 2014 to 2017 (with an estimated value of EUR 300 million). These investments included new water mains and sewer pipes, upgrading facilities and network maintenance. This case represented the first example of self-financing by subnational state-owned enterprise (SOE) in the capital markets through securitisation – without the help of a bank as an intermediary. The securitized bond had better credit standing than any of the mini bonds would have individually due to risk-diversification and the credit enhancement facility. This helped to mitigate the risk in case of default of one or more utility and reduced the risk of information asymmetry that investors face when analysing small companies.	6	Italy	Unlocking Infrastructure Investment (2021)
Public-Private Regional Coexistence Agreement	<p>The Public-Private Regional Coexistence Agreement is a project designed to encourage the participation of capable local private sector entities in regional development initiatives. The project aims to diversify the entities leading regional development, moving away from the traditional government-centric approach.</p> <p>Under this framework, private institutions such as corporations and universities collaborate with local governments to design creative regional development projects. These projects are then reviewed by central</p>	6	Korea	Questionnaire on Effective Public Investment (2024)

Title	Description	Related principle/s	Country	Source / Link
	<p>government ministries, which provide support for the necessary groundwork.</p> <p>The Public-Private Regional Coexistence Agreement also involves establishing Regional Development Investment Agreements led by the Presidential Committee for Decentralization and Balanced Development and Memorandums of Understanding (MOUs) between institutions. This long-term approach promotes collaboration among a diverse range of participants in regional development projects.</p>			
Infrastructure Funding and Financing Act (IFF)	In August 2020, New Zealand's government passed the Infrastructure Funding and Financing Act (IFF) 2020, establishing a new funding and financing model with a view to encourage private capital to support the provision of new infrastructure for housing and urban development. Through Special Purpose Vehicles (SPVs), local councils, Māori (comprised of entities representing different communities of indigenous peoples known also as Māori) and developers can collaborate to deliver infrastructure that is above a council's debt constraints without charging high upfront costs to developers.	6	New Zealand	G20-OECD Policy Toolkit (2022)
Infrastructure Acceleration Fund	In June 2021, the national government established the Infrastructure Acceleration Fund to encourage critical infrastructure projects. The \$1 billion fund is now closed for applications \$926.7 million in IAF funding has been allocated to critical infrastructure projects in 28 New Zealand cities and towns.	6	New Zealand	Unlocking Infrastructure Investment (2021)
Local Government Funding Agency	The Local Government Funding Agency was created in 2011 to provide efficient financing costs and diversified financing sources for the country's local authorities. This agency aims to optimise the debt funding terms and conditions for participating local governments. The agency issues debt and bonds on national and international markets, and then lends to local governments with a small margin to cover an administration fee. The funding agency is majority owned by councils and holds about 90% of New Zealand local government debt.	6	New Zealand	Unlocking Infrastructure Investment (2021)
Ministry of Development Funds and Regional Policy	The Ministry of Development Funds and Regional Policy supports public entities by providing complex advisory services for select PPP projects that are still in the pipeline. This support ranges from advisory services provided by internal experts to funding of legal, financial and technical external experts from leading international companies. The aim is not only to assist on a particular PPP project, but also to prepare on this basis a standard documentation and the best practices for similar cases in the future. The Ministry of Development Funds and Regional Policy is also preparing guidelines for the preparation of PPP projects, tender procedure, and contract templates. The aim is to publish and disseminate the guidelines in order to help the public entities in such activities.	6	Poland	Effective Public Investment Across Levels of Government (2019)
PPP test	The Polish Council of Ministers adopted the "The Government Policy for the Development of Public-Private Partnerships" in 2017. The "PPP test" will be obligatory for large projects that planned to be implemented in the traditional formula, to see whether this formula will bring greater benefits than the PPP formula	6	Poland	Effective Public Investment Across Levels of Government (2019)
Improved framework for PPPs	In recent years, Portugal has undertaken substantial efforts to improve the national PPP programme, both in terms of performance and in terms of designing a prudent enabling framework. These efforts include developing a plan to reduce PPP costs by about €250 million in 2013, and by up to €400 million after 2014 through measures such as reviewing levels of service, optimising the toll collection mechanisms and reducing private partners' internal rate of return. A full review of public-private partnerships by an international auditor was completed in	6	Portugal	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
	2012 and could be used in such potential contract re-negotiations. The new PPP framework law (enacted in May 2012) is a step towards achieving these goals and ensuring value-for-money assessments and implementation of strict procurement procedures. In particular, a new technical unit was created in the Ministry of Finance to assess and monitor PPPs. This unit is now fully operational and is involved in all PPP sectors, including the Road PPPs' renegotiation process currently under way. While the new PPP unit is a good start, much will depend on the implementation of this framework and the vigour with which the spirit of the law is taken on board. The regions have been encouraged to design similar frameworks for assessing fiscal risks derived from PPPs, concessions and other public investments			
Social bond in Spain	The Community of Madrid, for the first time in Spain, turned to capital markets to raise funds to promote initiatives in support of the region's health system, given the impact of COVID-19. It will devote the EUR 52 million raised through a social bond to support the regional health system, under the umbrella of its recently renewed Sustainable Financing Framework, which envisages earmarking funds from the General Budget to finance social and environmental projects.	6	Spain	Questionnaire on Effective Public Investment 2024)
Mechanisms to build municipal capacity for PPPs	The use of PPPs is at an early stage in Slovenia. In 2009 there were 49 municipalities with at least one PPP. Municipalities are permitted a maximum of 14 PPPs, and those that use them have – on average – 3 per municipality (OECD, 2009a). PPPs have been implemented in a variety of sectors, including waste management, water treatment plants, and kindergartens at the municipal level. In Slovenia, the central government has established mechanisms to help build municipal capacity for PPPs. For example, the Ministry of Finance established a council of experts to make proposals regarding the negotiation and implementation of PPPs. This council provides advice to municipalities, the private sector and other actors entering these types of arrangements	6	Slovenia	Effective Public Investment Toolkit - Country Profiles
Specific investment funds	The Industrial Development Fund is an independent foundation formed by the Swedish government in 1979, whose role is to provide Swedish industry with an innovation growth engine. The Fund has assets under management of around SEK 5 200 million. The Fund invests in equity. The Fund mainly focuses on companies with growth potential, supplying e.g. early-stage capital. All investments are made on a commercial basis in co-operation with entrepreneurs and other investors. Investments focus on deep tech, the life sciences, and transformative business. The first ticket is often 10-50 million SEK, with the capacity to invest considerably more during the lifecycle. Smaller tickets are also considered in an earlier stage for exceptional technologies. The Fund currently has direct investments in about 60 companies throughout Sweden.	6	Sweden	Effective Public Investment Toolkit - Country Profiles BP23 Utgiftsområde 24, Näringsliv (regeringen.se) och Industrifonden – Sweden's Venture Capital Fund samt Our story – Industrifonden och Arsredovisning-Industrifonden-2022-23-Swe.pdf
TIFIA lending program	The Transportation Infrastructure Finance and Innovation Act (TIFIA) lending programme was created in 1998, partially as a response to state and local government difficulty in obtaining finance on reasonable terms for transport infrastructure projects backed with user fees. TIFIA provides three forms of assistance: direct loans, loan guarantees, and standby lines of credit. Over 16 years, approximately USD 3 billion of federal funds were used to cover USD 21.8 billion of loans. Expanding the TIFIA programme has been identified as a key way to increase infrastructure investment in the United States.	6	United States	Effective multi-level public investment (2019)
Municipal Bond Market	The United States has the largest municipal bond market, with over USD 3.9 trillion in outstanding debt and over 50,000 issuers as of 2019. In many cases, municipal bonds are tax-free for United States resident investors.	6	United States	Unlocking Infrastructure Investment (2021)

Title	Description	Related principle/s	Country	Source / Link
	The municipal bond market includes a large variety of different bonds – ‘general obligation bonds’ and ‘revenue bonds’ are the two main types. General obligation bonds are an all-purpose bond that can be used to support municipal finances and are backed by the taxing authority of the issuer and are not typically considered infrastructure finance. Revenue bonds are project bonds that are repaid directly using revenues from a project, particularly from user charges and fees. Revenue bonds may involve a special purpose vehicle from which repayments are made.			
Environmental impact bond in Washington DC	In 2016, Washington DC’s water and sewer agency issued an environmental impact bond, which pays investors a higher rate of return if key environmental objectives are achieved (or charges them a premium if they are not achieved). The bond’s USD 25 million proceeds are for the installation of ‘green infrastructure’ to absorb surges of storm water during heavy rains, ultimately reducing the frequency and volume of sewer overflows that contaminate local rivers. The bond return is linked to the level of runoff reduction. If the reduction exceeds 41%, compared to a baseline level, the agency will pay investors a bonus of USD 3.3 million. If at the end of a designated period the level of runoff reduction is less than 18.6%, investors will make a ‘risk share payoff’ to DC Water totaling USD 3.3 million.	6	United States	Unlocking Infrastructure Investment (2021)
State Infrastructure Banks	In the United States, over 30 State Infrastructure Banks were established in the 1990s to support infrastructure investment in States. These banks were established as revolving funds with matching federal and State government capital, and could provide loans and credit enhancement support to infrastructure projects (U.S. Department of Transportation, n.d.[141]). The banks have provided billions in financing for more than 1 000 projects; however, the banks are currently underutilized or inactive in many states. They remain a potentially valuable tool for supporting the delivery of local infrastructure	6	United States	Unlocking Infrastructure Investment (2021)
Principle 7	Reinforce the expertise of public officials & institutions			
The Australian New Zealand School of Government (ANZSOG)	The Australian New Zealand School of Government (ANZSOG) is unique for its intergovernmental approach to public sector learning. ANZSOG was established in 2002 through the collaboration of major Australian and New Zealand universities and the Governments of the Australian Commonwealth, States and Territories and of New Zealand. Its focus is on educating public sector leaders, building new public policy research and management capability, and encouraging public-sector innovation. To promote “learning across jurisdictions”, all students come from the public sector of the participating governments. An interactive learning model creates the opportunity for public-sector managers to compare various approaches being tried by other jurisdictions. As participants come from various departments and agencies, they bring comparative knowledge and experience to ANZSOG’s classrooms. Participants work collaboratively on team projects. This encourages knowledge sharing, relationship building and the creation of lasting networks across governments. The school also has an alumni association which facilitates continued networking and information sharing between participants after they have completed their studies	7	Australia	Effective Public Investment Toolkit - Country Profiles
Municipal and Regional Training	Its purpose is to strengthen the Municipalities and Regional Governments of the country, through the design and implementation of training and training programs that aim to improve the human capital present in subnational governments, regardless of their contractual status.	7	Chile	Questionnaire on Effective PI (2024) https://academia.subdere.gov.cl/

Title	Description	Related principle/s	Country	Source / Link
Academy				?page_id=392#
National Investment System (SNI)	The National Investment System (SNI) offers specialized training courses on formulation and evaluation of public investment projects for national and subnational officials. It has a dedicated module on field training and regional workshops for entities in charge of preparing investment initiatives (i.e. mainly municipalities and other public services at the local level). The objective is to develop the appropriate competencies of subnational civil servants in the design and preparation of investment projects, as well as in the methodologies of social evaluation. The training sessions take place in the municipalities and are organised by investment analysts from the Regional Office of the Ministry of Social Development in each region. The timing is defined by the Regional Co-ordinator of Training with the Investment Co-ordinator from the Regional Office. Training sessions are designed for a group of two to eleven people.	7	Chile	Effective Public Investment Across Levels of Government (2019)
National Planning Department (DNP)	In 2017, the National Planning Department (DNP) created a new unit aiming to strengthen territorial institutional capacity and articulating the capacity building offer. For this, the DNP is developing several tools: (i) the planning and public investment network to build capacities and reinforce a vertical and horizontal dialogue between the national government and subnational governments; (ii) Identification, systematization, dissemination and exchange of best practices on public investment management; (iii) Compilation and design of the portfolio offer of the DNP regarding planning and public investment management; (iv) Technical assistance for capacity building in subnational governments. The DNP offers the courses to provide elements on the conceptual basis of the theory of projects focused on public employees, and guidance on filling out the appropriate formats that are part of the methodology designed by the DNP for the identification, preparation and evaluation of public investment projects.	7	Colombia	Effective Public Investment Across Levels of Government (2019)
New local authorities' strategy	The national government designed and implemented a strategy called "new local authorities" in which more than 400 people gave advice and support regarding the formulation of the territorial development plans	7	Colombia	Effective multi-level public investment (2019)
Monitoring dashboard of local governments	The dashboard enables to observe the quality and people's satisfaction with local governments' public services all over Estonia, and to analyse and visualise hundreds of criteria of the state of local governments' services. It gives feedback also about the quality of services and their development needs for each local government, enables to compare service provision and quality across different municipalities and share relevant good practices. It also helps to raise public awareness of the organisation of local public services and increase citizen engagement in developing local public policies and services.	7	Estonia	Questionnaire on Effective PI (2024) https://minuomavalitsus.ee/en
CNFPT	The Centre National de la Fonction Publique Territoriale (CNFPT) is a public body representing local authorities and their establishments. The law entrusts it with the task of defining the general guidelines for the professional training of territorial agents. It also defines and provides compulsory training for local civil servants and public employees. As such, it plays a substantial role in strengthening the expertise of the people and institutions involved in investment, notably through : - Training and professionalization of local authority staff: the CNFPT offers training courses for local authority	7	France	Questionnaire on Effective PI (2024)

Title	Description	Related principle/s	Country	Source / Link
	<p>staff, particularly senior executives, aimed at developing their skills and professionalization. It also offers support services to help staff implement learning situations. For example, it offers training courses for staff in charge of local authority financial management, public procurement, the search for public funding and project management a role as a resource and expertise center: the CNFPT is responsible for managing the observatory of employment, professions and skills in the local authority civil service. Its contribution to the transformation of local public action: The CNFPT is working to strengthen its service offering in terms of the skills needed to transform local public action.</p> <p>- its support for the development of collective intelligence: the CNFPT is seeking to deploy methods for designing and implementing its service offering that encourage alliances and collective intelligence</p>			
Engineering support from ANCT	<p>ANCT provides engineering support to local authorities and their stakeholders.</p> <p>As part of its role in managing European structural funds, ANCT informs and guides project developers in their grant and investment applications to the relevant management authorities. It coordinates the use of European structural and investment funds, and assists the Minister for Spatial Planning in defining, implementing and monitoring national and European policies for economic, social and territorial cohesion.</p> <p>Generally speaking, one of its main original features is that it implements tailor-made engineering for territories. Since 2020, it has been able to provide tangible responses to the needs expressed by local authorities: in four years, nearly 1,500 local projects have benefited from such support, within the framework of the programs deployed by the Agency or beyond, through the provision of tailor-made engineering. Since March 1, 2024, this customized engineering has been directly mobilized by departmental prefects, the Agency's territorial delegates, as part of the revision of the ANCT's engineering market operating procedures, introduced by decree no. 2024-97 of February 8, 2024 relating to the role of the ANCT's territorial delegate. Prefects are thus empowered to sign agreements to support local authorities by mobilizing one or more lots of the market. This approach is part of the drive to increase the resources allocated to engineering, as demonstrated by the doubling of the funds dedicated to this theme by €20 million, to a total budget of €40 million.</p> <p>Initially, this will involve informing local elected representatives of local engineering resources, through the creation of a single entry point for local authority requests by the agency's local delegate teams (prefects). If these local engineering resources are unable to meet the needs of local authorities, their requests can be handled by the territorial departments of the various government operators (Ademe, CEREMA, ANRU, ANAH, Banque des territoires) with which the agency has signed agreements, or even directly by the ANCT itself in a number of areas (territorial foresight ; revitalization of local commerce and development of economic attractiveness; implementation of a citizen participation strategy, as well as the development of cooperation between local authorities or the training of territorial agents in this area; development of digital urban management solutions or development of digital uses). To meet the needs of local authorities, particularly the smallest or those in greatest difficulty, the Agency or its local delegates can also mobilize a private engineering contract awarded by the ANCT to private consultancies on various key urban and territorial development themes.</p> <p>Last but not least, ANCT's information work is complemented by the online platform it supports: "Aide-territoire" (https://aides-territoires.beta.gouv.fr/)</p>	7	France	Questionnaire on Effective PI (2024)

Title	Description	Related principle/s	Country	Source / Link
Workshops for reinforcing expertise	Workshops on possibilities for ex-post evaluation of grants for investments in infrastructure	7	Germany	Effective Multi-level Public Investment (2019)
Integrated development strategies at regional and local levels	Latvia is designing integrated development strategies at regional and local levels based on needs assessment and competitive advantages. To promote realistic and result oriented strategies with clearly defined goals, measures and achievable results at regional and local level, specific Methodological Guidelines have been developed and widely used among regions and municipalities.	7	Latvia	Effective Public Investment Across Levels of Government (2019)
Technical assistance funds	Technical assistance funds have been used to train regions and beneficiaries of project funds to enhance their understanding and capacity in performance monitoring	7	Poland	Effective Public Investment Toolkit - Country Profiles
Financial support to projects	Financial support to projects of Integration and Sharing of Services or Competencies of Municipalities. Technical and financial cooperation mechanism between central government and municipalities: development of municipal structuring investments, by providing financial and technical support, through the formalization of contracts between central government and municipalities.	7	Portugal	Effective multi-level public investment (2019)
Efficient, Reliable and Open public administration reform programme (ESO)	In 2012, the Slovak Republic launched the ESO (Efficient, Reliable and Open) public administration reform programme. Reforms introduced in 2012 and 2013 included streamlining the deconcentrated state government administration by consolidating numerous specialised offices into 72 district offices. The ESO Programme includes reforms intended to strengthen human resource management as well as the capacities of seven analytical centres attached to economic and social ministries. Public administration capacity building is also the target of a single Operational Programme for the 2014-20 programming period.	7	Slovak Republic	Effective Public Investment Across Levels of Government (2019)
Training and capacity support	The central government, for example, supports training of local officials particularly when new regulations regarding local governments are approved. This is often undertaken in co-operation with the municipal associations. Capacity development and support also comes from the three municipal associations in Slovenia. For example, the Association of Municipalities offers “various events, conferences for experts, seminars and workshops; it helps with advice and solutions in the field of local autonomy and passes them on to the bodies at state level ... it advises the municipalities on legal, tax and economic matters...offers municipalities expert help with the process of adjustment to the legal order of the European Union, assists with qualifying the personnel of the local administration and of public enterprises (filling shortages of staff), and offers other particular projects whose goals are updating and professionalisation of the employees in the municipality administration and in public enterprises.”	7	Slovenia	Effective Public Investment Toolkit - Country Profiles
Use of minimum public service	Minimum public service standards are also used to ensure a certain consistency (and equity) at the local level. Standards are established through legislation and by individual ministries. They can assist municipalities by guiding such issues as minimum service level, cost and quality when implementing tasks at the local level.	7	Slovenia	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
standards to ensure consistency	Municipalities can choose how to deliver the service as long as the minimum standard is met.			
Policy learning	Sweden’s Innovation Agency (Vinnova) places a high value on policy learning by monitoring, evaluation and analysis. The VINNVÄXT programme, implies competitive long-term financing for co-ordination of companies, academy and public sector, and promotes sustainable growth in regions by developing products, services and ideas that are internationally competitive. The financed initiatives often relate to strategies for smart specialization.	7	Sweden	Effective Public Investment Toolkit - Country Profiles https://www.vinnova.se/m/ekosystem-for-innovativa-foretag/vinnvaxt/om-vinnvaxt/ https://www.vinnova.se/publikationer/vinnovas-arsredovisning-2023/ (Page 9 on learning and page 51 on Vinnväxt.)
Capacity building through regiosuisse	Capacity building is one of three pillars of Switzerland’s “New Regional Policy” and is supported by regiosuisse. regiosuisse support people working in regional development by providing a comprehensive knowledge management system. They create and disseminate knowledge through their services and network. Their knowledge is available in the form of specialist literature, general guidelines, checklists, YouTube videos and other products. regiosuisse is funded by the State Secretariat for Economic Affairs (SECO) and, since 2016, the Federal Office for Spatial Development (ARE).	7	Switzerland	regiosuisse
Principle 8	Focus on results and promote learning			
Club petites villes de demain	The Club des Petites villes de demain (Small Towns of Tomorrow Club) enables beneficiaries to share experiences and build skills, while engineering and thematic support provide them with concrete tools to implement their revitalization project. The Club enables local teams to take up topics and discover themes that will feed their thinking and their territory's project.	8	France	Questionnaire on Effective PI (2024) https://agence-cohesion-territoires.gouv.fr/Club-PVD
CRPV	The main aim of the urban policy resource centers is to support the qualification of social and urban development players, starting with urban policy professionals. They provide them with resources (information, documentation, experience, etc.) and encourage exchanges between them. In their missions, they take into account the evolution of public policies and the transformations they bring about, as well as local realities, i.e. the needs identified on the ground and the systems of local players. As such, they are privileged observers of urban territorial dynamics. The urban policy resource centers cover almost the entire country (metropolitan France and overseas territories), and their scope of intervention is usually regional, except in Ile-de-France (departmental).	8	France	Questionnaire on Effective PI (2024) http://www.reseau-crpv.fr/les-crpv/
URBACT	The URBACT program aims to encourage integrated urban development in Europe, by networking European	8	France	Questionnaire on Effective PI

Title	Description	Related principle/s	Country	Source / Link
	<p>cities and exchanging best practices and ideas.</p> <p>To inspire practitioners and decision-makers in the EU and beyond, URBACT capitalizes on cities' successes by sharing urban knowledge and policy recommendations. Thematic overviews are disseminated in a variety of formats to raise awareness of URBACT and its method.</p>			<p>(2024)</p> <p>https://urbact.eu/who-we-are</p>
Urban Agenda Partnership for the European Union	<p>The EU Urban Agenda represents a new multi-level working method for urban policy and practice, promoting cooperation between member states, cities, the European Commission and other stakeholders. Over the period 2021-2027, support for the EU Urban Agenda is provided through the European Urban Initiative.</p> <p>The scope of the EU Urban Agenda is threefold. It focuses specifically on three pillars of EU policy development and implementation:</p> <ul style="list-style-type: none"> - Better regulation - Better funding - Better knowledge <p>Thematic partnerships define and implement the actions defined in the action plans.</p>	8	France	<p>Questionnaire on Effective PI (2024)</p> <p>https://www.urbanagenda.urban-initiative.eu/urban-agenda-eu</p>
Performance monitoring and evaluation	<p>In addition to the use of traditional conditionalities, Italy is piloting an innovative mechanism (Obiettivi di servizio) to transfer a part of central government funds to regions. This more flexible performance-based conditionality allocates resources to the most performing regions and incentivizes a more results-oriented attitude towards sub-national authorities. Under this new system, a part of central government transfers (EUR 3 billion for 2007/2013) is assigned to regions according to their performance towards quantified targets by 2013.</p>	8	Italy	Effective Public Investment Toolkit - Country Profiles
Performance framework	<p>Italy is using the “performance framework”, based on financial and output indicators, as an opportunity to strengthen the national monitoring system, as data will be used to assess and rewards achievements</p>	8	Italy	Effective Multi-Level Public Investment (2019)
Performance monitoring in the region of Basilicata	<p>Basilicata has invested heavily in monitoring and evaluation to support decision makers. The region has set up a Public Investment Evaluation Unit (NVI) responsible for the monitoring and evaluation of all public investments in the region, including impact evaluation of selected projects. Since 2007, Basilicata is also one of the five regions in Italy to rely on the centralised system for monitoring public investment that collects timely data on procedural, physical and financial aspects of the implementation of all public investment projects</p> <p>Basilicata’s efforts are supported by the national Public Investment Evaluation Unit in the Ministry of Economic Development, which provides technical support. Regional data on public investments are gathered through a centralised System for Monitoring Public Investments that identifies each public investment project with a unique 15-digit code valid for its life cycle. The code carries information on the nature and type of project, sector, location, budget, beneficiary name and main sector of activity. The system has been used in five pilot regions since 2007; Basilicata is the only region in the Mezzogiorno</p>	8	Italy	Effective Public Investment Toolkit - Country Profiles
The Regional Strategic Partnership Fund’s	<p>The RSPF, a \$200 million government investment in regional economic development projects from 2021-2023, implemented an impact management framework . The framework regularly assesses the performance of each project against indicators which relate to the PRISM (productive, resilient, inclusive, sustainable and Māori-enabling) outcomes of the fund. This data will then be aggregated to provide a programme-level view of the</p>	8	New Zealand	<p>Questionnaire on Effective PI (2024)</p> <p>Regional Strategic Partnership Fund: Impact Management</p>

Title	Description	Related principle/s	Country	Source / Link
(RSPF) impact management framework	fund's overall outcomes.			Framework (mbie.govt.nz)
Electronic reporting system for municipalities and counties (KOSTRA)	Norway's KOSTRA system is an electronic reporting system for municipalities and counties. It can publish input and output indicators on local public services and finances and provide online publication of municipal priorities, productivity and needs. KOSTRA integrates information from local government accounts, service statistics and population statistics. It includes indicators of production, service coverage, needs, quality and efficiency. The information is easily accessible via the Internet and facilitates detailed comparison of the performance of local governments. KOSTRA data is frequently used by the local government themselves and by the media and researchers. Although individual local governments could use KOSTRA more efficiently (e.g. by systematic benchmarking), the system has helped facilitate comparisons of municipalities thereby promoting "bench-learning".	8	Norway	Effective Public Investment Across Levels of Government (2019)
Programme monitoring on investment financed by EU funds	Programme monitoring on investment financed by EU funds focus attaining strategic and interim objectives specified in the programme (monitoring of delivery) and full absorption of EU allocated funds (financial monitoring). Progress and effectiveness of implementation are measured by means of physical and financial indicators specified in the different programmes. Emphasis is placed on output and results indicators. Monitoring of programmes co-financed by the structural and cohesion funds is performed by the managing authorities and monitoring committees appointed for each programme. The SIMIK IT system (Informational System for Monitoring and Controlling Structural and Cohesion Funds) is supposed to be used to monitor the financial and physical progress of programme implementation.	8	Poland	Effective Public Investment Toolkit - Country Profiles
Regional Development Composite Index (ISDR)	Portugal has developed the Regional Development Composite Index (ISDR) to monitor regional development and inform in a simple manner both citizens and policymakers about the progress achieved with regard to development. The ISDR relies on a conceptual framework that benefits from a broad view of development that encompasses competitiveness, cohesion and environmental quality. The ISDR has been issued on an annual basis since 2010 by the Portuguese National Statistical System. The local finance law establishes that central government grants to associations of municipalities depend on the regional performance as captured by ISDR.	8	Portugal	Effective multi-level public investment (2019) INE
Indicator Systems	Indicator systems for the evaluation and monitoring of Portugal 2030 (financial and outcome indicators). Additionally, the Regional Development Composite Index to monitor regional development and inform citizens and policymakers	8	Portugal	Effective multi-level public investment (2019)
Monitoring and evaluation	Monitoring and evaluation requirements, as well as related funding, from the EU have helped to propel the development of information systems. In Slovenia, a monitoring system (ISARR) and evaluation plan for Cohesion Policy has been put in place	8	Slovenia	Effective Public Investment Toolkit - Country Profiles
Policy evaluation	The Swiss Constitution requires all policies to be evaluated with respect to effectiveness. Thus, an intermediate evaluation is scheduled for the end of the four- 8 year programming period (the timeframe for each programme agreement) to evaluate if cantons are "on-track" and implementing programmes in the spirit of the NRP. Tools	8	Switzerland	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
	under consideration include a SWOT analysis and a questionnaire that will be sent to the cantons (in addition to their annual report). A final evaluation is also to take place following of the completion of the eight-year national programme cycle.			
Monitoring dashboard	The use of the “monitoring dashboard” seeks to enhance the annual programme monitoring and periodic evaluations. The dashboard is mainly based on qualitative assessments collected from the NRP stakeholders, and where available quantitative indicators. The dashboard acts as a platform for structured discussion i) to analyse the NRP implementation and the level of attainment of the NRP objectives; ii) to initiate reflection and learning processes for the State Secretariat for Economic Affairs (SECO) team, thus ensuring better coaching and monitoring of the NRP; and iii) to promote coherence of the actions of the various stakeholders involved in the NRP. The dashboard thus seeks to provide an early warning system in case of deviation from intended outcomes.	8	Switzerland	Effective Public Investment Toolkit - Country Profiles
“CHMOS” system to capture programmatic data	The “CHMOS” system is used by all cantons to capture programmatic data. In addition to acting as a programme management tool for cantons, it also serves as a federal-cantonal reporting tool for annual reports. It contains descriptive information, administrative data, and menus of indicators that can be selected for monitoring. Since 2020, effectiveness has also been measures through CHMOS.	8	Switzerland	Effective Public Investment Toolkit - Country Profiles
Results Oriented Programmes	In Türkiye, the regional development agencies (RDAs) have designed “Results Oriented Programmes” since 2017. These medium-term programmes include measurable outcome and output targets in line with the Regional Plans, based on qualified analytics, prepared in collaboration with the relevant institutions, including sub-programmes, projects and activities aimed at achieving development results in a specific sector or theme with a view to achieving strategically defined development objectives.	8	Türkiye	Effective Public Investment Across Levels of Government (2019)
Government Performance and Results Act	In an effort to improve the focus on outcomes and to strengthen accountability for performance of the agencies of the federal government, the Government Performance and Results Act requires agencies to identify a small number of priority goals. A performance report is submitted annually to Congress and made publicly available online.	8	United States	Effective Public Investment Across Levels of Government (2019)
Principle 9	Develop a fiscal framework adapted to the objectives pursued			
Intergovernmental Agreement on Federal Financial Relations	In 2008, the COAG agreed to a new Intergovernmental Agreement on Federal Financial Relations (IGA). This agreement increased the financial autonomy of the states, moving from input control to the monitoring of outputs, and rationalising the payments made to the state into five broad areas (health, affordable housing, early childhood and schools, vocational education and training, and disability services). Each of these payment areas are funded by a special purpose payment (SPP), distributed to the states on an equal per capita basis (there is no need to adapt the amounts to the needs and costs of each state, as this is done by the Commonwealth Grants Commission). For each of these payment areas, a mutually agreed National Agreement clarifies the roles and responsibilities that will guide the Commonwealth and the states in the delivery of services across the relevant sectors and covers the objectives, outcomes, outputs and performance indicators for each SPP. The performance	9	Australia	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
	of all governments in achieving mutually agreed outcomes and benchmarks specified in each SPP is then monitored by the independent COAG Reform Council (CRC) and publicly reported on an annual basis			
Treaty on Stability, Co-ordination and Governance	The Co-operation Agreement reached in December 2013 between the federal government, communities and regions for implementing the Treaty on Stability, Co-ordination and Governance requires the general government budget to be balanced; individual targets in nominal and structural terms for central and local authorities will be defined.	9	Belgium – Flanders	Effective Public Investment Across Levels of Government (2019)
Generalization of a harmonized budgetary and accounting framework known as M57, incorporating the most advanced general accounting standards for fixed assets and green budgeting.	<p>The generalization of a harmonized budgetary and accounting framework for all local authorities and their establishments, which incorporates the most advanced accounting standards, particularly in terms of investment, was formalized by article L. 205 of the initial finance law for 2024, which provides for the generalization of the single financial account, for all local authorities and their establishments. This framework for rendering accounts implies the generalization of the budgetary and accounting regime for metropolises, defined by articles L. 5217-10-1 to L. 5217-10-15 and L. 5217-12-2 to L. 5217-12-5 of the French General Code for Local Authorities. This budgetary and accounting framework incorporates general accounting, in line with the opinions of the Conseil de Normalisation des Comptes Publics, in application of the Arrêté du 13 novembre 2023 portant adoption du recueil des normes comptables applicables aux entités publiques locales visés à l'alinéa 2 de l'article 1er du décret n° 2012-1246 du 7 novembre 2012 relatif à la gestion budgétaire et comptable publique, ainsi à certains établissements publics. In particular, this compendium provides rules for accounting for intangible assets, property, plant and equipment and financial liabilities.</p> <p>Lastly, the budgetary and accounting framework for local public entities incorporates a green budgeting approach as of the 2024 financial year, in accordance with Article 191 of the Finance Act for 2024, in order to value capital expenditure which, within budgets, contributes negatively or positively to all or part of France's ecological transition objectives corresponding to Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to promote sustainable investment and amending Regulation (EU) 2019/2088.</p>	9	France	Questionnaire on Effective PI (2024)
Local Governments Act	The Parliament passed an act on local governments in September 2011, which includes two main fiscal rules on local government finances. The first is a balancing rule for current operations of local governments, obliging them to balance revenues and expenditures over a three-year period. The second is a debt rule that limits the total debt and liabilities of local governments to 150% of total revenue. Local governments with debt and liabilities above 150% are required to bring the debt ratio under this benchmark in ten years. Local governments with total debt exceeding 250% of revenue are prohibited from raising new debt except for refinancing.	9	Iceland	Effective Public Investment Across Levels of Government (2019)
Principle 10	Require sound, transparent financial management			
Stability Council	As part of a larger reform of its federal structure, the German government created a Stability Council that consists of the Minister of Finance, the Minister of Economy and the finance ministers of all the Länder. To avoid future	10		Effective Public Investment Toolkit - Country Profiles -

Title	Description	Related principle/s	Country	Source / Link
	budgetary crises, the Stability Council is responsible for regularly monitoring the budgets of the federal government and the governments of the Länder and functions as an early warning system. If a budget risks falling into distress, the responsible government develops a consolidation plan with the Stability Council.			Country Profiles
Online Interactive Webpage	An online interactive webpage is developed to present detailed information of public investment projects in all regions	10	Colombia	Effective multi-level public investment (2019)
Government sector's financial data portal	Financial data about the government sector's activities are published in the portal as open data. The purpose is to make government sector's financial activities more transparent and understandable. The portal includes data about the financial activities of the central government, local governments, and social security funds of Estonia.	10	Estonia	Questionnaire on Effective PI (2024) Riigiraha (fin.ee)
Generalization of the single financial account and the harmonized budgetary and accounting framework known as M57, development of quality improvement initiatives for local accounts	<p>In addition to the current local budgetary and accounting framework, which lays down in law the principles of annuality and approval by local deliberative assemblies of provisional budgets and local accounts, as well as the principle of budgetary balance and sincerity, a process of harmonization of the budgetary and accounting framework has been initiated in a structured way as of the 2019 financial year.</p> <p>Thus, article 205 of the Finance Act for 2024 generalizes the single financial account, which had given rise to an experiment opened by article 242 of the Finance Act for 2019 over the period 2020-2023, in which more than 4,500 local public entities had taken part, and which gave rise to an assessment submitted by the Government to Parliament.</p> <p>The single financial account makes it possible to harmonize local account reporting and the local budgetary and accounting framework. General and budgetary accounting rules will be harmonized for local authorities and their establishments, while at the same time being adapted to the specific characteristics of each category of local authority, particularly for the smallest entities.</p> <p>In line with these objectives, steps are being taken to improve the quality of local accounts. In addition, the M57 budgetary and accounting framework specifies the scope of the standards applicable to entities wishing to undergo an accounts certification process.</p>	10	France	Questionnaire on Effective PI (2024)
Co-operation of State and Federal Court of Auditors	The state courts of audit (Landesrechnungshöfe) examine the financial management of the Länder while the Bundesrechnungshof examines federal financial management. The Bundesrechnungshof (Federal Court of Auditors) and the (State Courts of Auditors) audit public investment projects and publish yearly reports that document instances of wasteful spending. Co-operation is necessary because the revenue from the most important taxes is shared among the Federal Government and the states and a wide variety of programmes are funded jointly by the Federal Government and the states. The Bundesrechnungshof and the state courts of audit work closely and regularly meet at conferences of the Presidents and working groups specialized in particular subjects.	10	Germany	Effective Public Investment Across Levels of Government (2019)
Organic Budget Law	Based on the Organic Budget Law, at the beginning of its term the government is required to submit a Fiscal Policy Statement to Parliament for approval. It covers both central- and local government (agreement first must	10	Iceland	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
	<p>be reached with local government) and sets out numerical fiscal objectives for the long-term stock of liabilities and the medium-term budget balance for at least the life of the Parliament. The government is also required each year to present a Medium-Term Fiscal Strategy to Parliament for approval. It covers the subsequent five years and lays out fiscal performance targets for central and local government in line with the Fiscal Statement. It also lays out nominal expenditure ceilings in policy areas for each ministry to use in preparing its budget, and a summary of the specific policy measures planned to achieve the strategy's targets. In preparing the MTFS, it will be necessary to reach agreements with local governments on their targets. The MTFS must also include a discussion of fiscal risks. Disclosure and plans to manage these risks help to demonstrate that fiscal policy is based on prudent macro-economic and fiscal assumptions.</p>			
Open Coesione web portal	<p>The Open Coesione web portal provides analysis and monitoring on the use of regional policy resources, offering information, accessible to anyone, on what is funded, who is involved and where. The web portal contains information about every single project carried out to implement EU Cohesion Policy, and more specifically: funds used, places and categories, subjects involved and implementation timeframes. It concerns more than 700 000 investment projects (around EUR 17 billion, funded by national and local governments).</p> <p>Users can either download raw data or browse through interactive diagrams itemized by expenditure categories, places and type of intervention. They can also access files on individual projects and subjects involved. Data on the local economy and social context are provided as well.</p>	10	Italy	Effective Public Investment Across Levels of Government (2019)
Financial resource management	<p>To ensure the smooth running of the investment programmes and projects as well as to achieve the desired outcomes, since 2008 the Government of New Zealand calls for peer reviews (gateway reviews). These audits that are typically conducted at critical points during the life cycle of programmes generally result in recommendations to key leaders of these initiatives. The report of the Auditor General mentions that approximately 25 to 30 of such revisions are made annually under the responsibility of the Treasury, notably on projects with a high degree of risk. Even though this practice was generally beneficial for the projects that have been revised, the Auditor identifies a number of aspects that could be improved. The Auditor particularly recommends the Treasury adopt good practices to harmonize the review process, modulate the revisions based on the characteristics of projects and information needs of the concerned authorities and ensure better co-ordination with the other monitoring and control activities.</p>	10	New Zealand	Effective Public Investment Toolkit - Country Profiles
Central government data publication	<p>Starting from 2014, data of the central government and the local government are subject to publication on the Ministry of Finance website (monthly and quarterly)</p>	10	Poland	Effective multi-level public investment (2019)
New spending rule	<p>Poland has recently introduced a new spending rule, covering 90% of general government expenditures. Spending growth will be capped by nominal targets based on a moving average of GDP growth, which will enhance transparency and credibility. It is also based on two corrective debt thresholds at 50 and 55% of GDP. The new spending rule could help to smooth the effects of EU transfers and the related public investment cycle.</p>	10	Poland	Effective Public Investment Toolkit - Country Profiles
Greater focus on multi-year	<p>The revision on local and regional finances laws was passed in September 2013. It establishes a multi-year budget plan, spells out expenditure rules, budget balance and the debt by setting stricter debt limits and finally</p>	10	Portugal	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
budgeting	it gives the State greater fiscal oversight. Since 2012 the State Budget has included a chapter on contingent liabilities in general, which included contingent liabilities from PPPs.			
Database of the New Regional Policy (NPR) projects	regiosuisse has developed a database that provides an overview of the projects of the New Regional Policy (NPR) as well as the projects of the previous programme "Regio Plus". The database contains the projects from 11 national programmes, and of the cantonal and supracantonal implementation programmes as well as the projects launched under the Interreg cross-border programme with Swiss participation. This database also contains the projects of the pilot programme Territory of Economic Action (PHR Economy), a common measure of the agglomeration policy (AggloPol) and the projects of the policy for rural areas and mountain regions (P-LRB). Since 2016, all NPR projects have gradually been posted online; a large selection of projects dating from previous periods is also available.	10	Switzerland	Effective Public Investment Across Levels of Government (2019); regiosuisse project database
Investment Monitoring and Co-ordination departments	According to new metropolitan municipality law, Investment Monitoring and Co-ordination departments are established in 30 cities within the scope of governorates. Functions of this department are: <ul style="list-style-type: none"> - Efficient execution, monitoring and co-ordination of public investments - Execution and co-ordination of central government's investments when needed - Guiding and supervision of public institutions in province A performance budgeting approach was introduced in the public sector in 2003 by the enactment of the Public Financial Management and Control (PFMC) Law. The PFMC Law covers the financial management and control of all public administrations. Implementation of the law began in 2005 in terms of the budgeting process, and in 2006 in the proper sense. According to this law all public administrations have to prepare five-year strategic plans, annual performance programmes and activity reports.	10	Türkiye	Effective Public Investment Toolkit - Country Profiles
Principle 11	Promote transparency and strategic use of procurement			
Public investment alignment with the Public Governance, Performance and Accountability Act	The Australian Government adheres to principles related to transparency and the strategic use of public procurement by ensuring all public investment aligns with the Public Governance, Performance and Accountability Act 2013 (PGPA Act). The PGPA Act establishes a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting. The Act applies to all Commonwealth entities and Commonwealth companies.	11	Australia	Effective Public Investment Across Levels of Government (2019)
Innovation Solutions Canada	Innovation Solutions Canada is a new strategic procurement initiative first announced in Budget 2017 to support the scale up and growth of Canada's innovators and entrepreneurs by having the federal government act as a first customer.	11	Canada	Effective multi-level public investment (2019)
Industrial and	Canada's Industrial and Technological Benefits (ITB) Policy, including the Value Proposition, leverages	11	Canada	Questionnaire on Effective PI

Title	Description	Related principle/s	Country	Source / Link
Technological Benefits (ITB) Policy	defence and Canadian Coast Guard procurements to contribute to jobs, innovation and economic growth across the country. The ITB Policy contractually requires companies awarded defence procurement contracts to undertake business activity in Canada equal to the value of the contracts they have won.			(2024) Industrial and Technological Benefits Policy
National Electronic Tool (NEN)	In 2015, the National Electronic Tool (NEN) was launched. It is a complex electronic tool for administration, public procurement and concessions in all categories. NEN supports all range of computerization from register of public procurement to fully electronic procedures.	11	Czechia	Effective multi-level public investment (2019)
Simpler public procurement	The Council for Public-Private Co-operation was established in April 2013 to support competition for public sector contracts. A working group on public procurement was set up in June 2013 to produce simpler and clearer legislation for public procurement	11	Denmark	Effective Public Investment Toolkit - Country Profiles
Centre of Excellence for Sustainable Procurement	The Centre of Excellence for Sustainable Procurement, within the Procurement Office of the Federal Ministry of the Interior, supports public contracting authorities at the federal, Länder and municipality level in taking sustainability criteria into consideration in procurement projects. The KNB website (central portal for sustainable procurement) was launched by the Chancellor on 13 May 2013.	11	Germany	Effective Public Investment Toolkit - Country Profiles
Creation of procurement bodies at the local level	In 2014, procurement bodies were created at the local level, including Regional Purchasing Bodies and Metropolitan Area Purchasing Bodies. Thresholds have been set (i.e., small municipalities cannot purchase goods or services over EUR 40 000 or works over EUR 150 000), which encourage municipalities to merge their public procurement offices to form a “Centrale Unica di Committenza”; or to merge with their provincial procurement office.	11	Italy	Effective Public Investment Across Levels of Government (2019)
Innovative procurement in regions	To compensate for the rather small size of its administration, the region looked for innovative public procurement procedures. Basilicata was among the first regions to use a dynamic purchasing system for drugs through e-procurement, provide centralised insurance against clinical risks and set up a central purchasing body for electricity.	11	Italy	Effective Public Investment Toolkit - Country Profiles
E-procurement and framework agreements for procurement	To increase productivity, Portugal has restructured its purchasing function and consolidated purchases to achieve economies of scale. The National Agency for Public Procurement, established in 2007, has managed in recent years to professionalise the procurement function and achieve efficiency gains through the use of aggregation vehicles for the central administration (framework agreements) and investment in a state-of-the art e-procurement platform. One of the challenges facing the Government is to ensure that similar capacity is developed at the sub-national level. Portugal is increasingly using procurement as a policy lever to pursue policy objectives, such as SME development, innovation, and environmental protection. This is being done, for example, by dividing government contracts into small lots.	11	Portugal	Effective Public Investment Toolkit - Country Profiles
Green procurement system	In 2018, the Municipality of Valladolid enacted the Municipal Ordinance 1/2018 to Promote Social Efficient Procurement: Strategic, Honest and Sustainable. This ordinance represents an attempt to design a new public procurement system that simplifies administrative procedures and uses public procurement practices more strategically to promote access to public procurements by SMEs and social economy enterprises. Importantly, the ordinance lays out several criteria for public procurement calls to be more socially inclusive and environmentally sustainable. For example, the ordinance requires that the subject and pricing of	11	Spain	Unlocking Infrastructure Investment (2021)

Title	Description	Related principle/s	Country	Source / Link
	municipal contracts consider life-cycle criteria or the most innovative, efficient and sustainable solutions. The ordinance also bans the acquisition of goods and services produced without guarantees of compliance with international conventions on environmental matters. In addition, the municipality has incorporated environmental standards into the tenders to offer public land for private investment. In the assessment of contracts, the awarding criteria refer to the circular economy explicitly, in terms of use of raw materials, sustainable products, life cycle analysis, useful life, energy efficiency, less maintenance and more sustainable packaging.			
Principle 12	Strive for quality and consistency in regulatory systems across levels of government			
Revision of the Regulatory Impact Assessment (RIA)	Australia has refined and improved its Regulatory Impact Analysis (RIA) settings since first establishing our RIA framework in 1986. The current framework provides decision makers with the best available information on the net benefit of a policy proposal. It does this by supporting government agencies to analyse policy impacts on individuals, businesses, and community groups. Australia's approach to RIA is recognised by The Organisation for Economic Co-operation and Development (OECD) as a global benchmark for best practice.	12	Australia	Effective Public Investment Across Levels of Government (2019) Australia's Regulatory Impact Analysis (RIA) Framework key changes over time The Office of Impact Analysis (pmc.gov.au)
Federal, Provincial and Territorial Working Group on Regulatory Reform	In Canada, a Federal, Provincial and Territorial Working Group on Regulatory Reform acts as a forum to develop government's capacity to produce quality regulation and encourage regulatory co-operation across jurisdictions. Its work includes developing common regulatory principles, developing a consistent approach to regulatory impact analysis and sharing best practices.	12	Canada	Effective Public Investment Toolkit - Country Profiles
Danish Competition and Consumer Authority	The Danish Competition and Consumer Authority has provided municipalities with guidance notes covering interpretation of legislation, how to apply legislation in practice as well as exchange of best practices. The notes also contain guidance on public-private partnerships, whose use has increased in recent years. A working group on public procurement was set up in June 2013 to produce clearer, simpler and more flexible draft legislation on public procurement and to reduce transaction costs faced by the participating parties in public procurement. Legislation on public procurement should be simplified as soon as possible, in line with the recommendations of the working group. In late 2013, the appeals procedure was made more efficient by increasing fees and shortening deadlines on when complaints are allowed to be filed.	12	Denmark	Effective Public Investment Across Levels of Government (2019)
Policy of administrative simplification and reduction of regulatory	France has embarked on a policy of administrative simplification and reduction of regulatory burdens. The Prime Minister's circular of July 17, 2013 introduced a "freeze" on regulatory standards applicable to local authorities, businesses and the public (individuals, associations). In addition, local authorities are closely involved in the project to simplify general texts under the aegis of the Secretary of State for State Reform and Simplification. The aim is to reduce the net annual cost of new standards for local authorities to zero by 2017.	12	France	Efficient, multi-level public investment (2019)

Title	Description	Related principle/s	Country	Source / Link
burdens				
Regulatory co-ordination	Each minister is required to provide information about regulations under consideration to the representatives of a large number of subnational governments' associations (National Governors' Association, Japan Association of City Mayors, National Association of Towns and Villages, National Association of Chairpersons of Prefectural Assemblies, National Association of Chairpersons of City Councils, National Association of Chairmen of Town and Village Assemblies) prior to the issuance of these regulations.	12	Japan	Effective Public Investment Toolkit - Country Profiles
Regulatory co-ordination	The central government must consult subnational governments prior to issuance of new regulations that concern them. There is a mandatory consultation period, usually at least 28 days, associated with new regulations.	12	New Zealand	Effective Public Investment Toolkit - Country Profiles
Mechanisms to ensure regulatory co-ordination	In Norway, several mechanisms are in place to ensure co-ordination among regulatory proposals affecting local governments, especially those associated with infrastructure and public investment projects. First, regular formal meetings are held between representatives from central and local government. At the political level, a process of four consultative meetings per year (since 2000) brings together key ministries of the central government with high-level representatives from the Norwegian Association of Local and Regional Authorities (Kommunenes Sentralforbund, KS). Similar meetings are held addressing issues pertaining specifically to county and municipality issues. Second – as part of the public consultation on draft laws and regulations – local government and local government organisations (KS) receive for comment those government draft regulations considered of special relevance for local governments. Third, and probably most importantly, continuous informal dialogue takes place between central and local government representatives at different levels, in many different forms, and on political as well as technical and professional issues.	12	Norway	Effective Public Investment Toolkit - Country Profiles
Commission for the Reform of the Public Administration (CORA)	In October 2012, Spain's Council of Ministers launched a process of public administration reform, establishing a Commission for the Reform of the Public Administration (CORA). The focus is on administrative streamlining, simplifying legislation and procedures, and avoiding duplication between the state and the Autonomous Communities (ACs). Of the 217 proposals presented in the reform, 118 relate to eliminating duplications at the national level and between the national and subnational levels. A code of best practices is also proposed in order to rationalise public expenditure and increase the efficiency of public services by optimizing the use of new technologies.	12	Spain	Effective Public Investment Across Levels of Government (2019)
Unified methodology for the assessment of selected impacts	In the Slovak Republic, according to the government's rules of procedure, all documents submitted to the government must include an evaluation of impacts in five main areas: 1) public budgets; 2) business environment; 3) social impacts; 4) environment; and 5) the "informatisation" of the society. However, while the formal obligation to conduct RIA has been in place since 2001, with major modifications added in 2008 and again in 2010, it does not seem to be complied with as a general rule. The "Unified methodology for the assessment of selected impacts", the government resolution setting the rules for conducting impact assessments of legislative and non-legislative documents, was amended in January 2015 with the aim to improve the RIA process. This resolution changed the methodology structure and introduces mandatory consultations with businesses (or their associations) as a firm part of the RIA process whenever the proposal has potential impacts on the business sector. A new Permanent Working Committee of the Legislative Council of the Slovak Republic for Assessing Selected Impacts was also set up in October 2015. This should strengthen the process of quality	12	Slovak Republic	Effective Public Investment Toolkit - Country Profiles

Title	Description	Related principle/s	Country	Source / Link
Reduction of administrative burden across levels of government	control over the impact assessments submitted to the government. The STOP bureaucracy portal have been online since 2005, the portal is intended for all citizens and entrepreneurs who come in contact with the state during their business process or in everyday life, and for regulatory drafters and other employees in the state administration who encounter administrative procedures through their work.	12	Slovenia	Effective Public Investment Toolkit - Country Profiles
Public-Private partnership legal frameworks	The Commonwealth of Virginia in the United States adapted its public private partnership (PPP) regulations to produce a flexible PPP programme. From the outset, it adopted a state-wide, programmatic approach, without geographic or political restrictions. As the state's statutory framework developed, this programme extended to a nearly unlimited range of qualifying proposal types, facility types, partner types, delivery approaches, and financing options. As a result, private parties encounter few limitations. Virginia's PPP projects face limited legislative intervention. State law does not require legislative approval prior to facility procurement, relying instead on responsible public entities for project review, approvals, and management. To address the potential accountability deficit, Virginia established the Transportation Public-Private Partnership Advisory Committee, charged with assessing whether proposed projects serve the public interest. In addition to its inclusive statutes, implementation guidelines were developed to help potential and active partners understand and navigate the state's PPP procurement procedures.	12	United States	Unlocking Infrastructure Investment (2021)
Several principles				
Territorial and Settlement Development Operational Programme Plus, 2021-2027	As a regional operational program, TOP Plus covers the less developed regions (counties) and the developed region (Budapest). The program primarily supports the developments of local governments. The program manages regional challenges, is based on integrated regional planning, and as a continuation of the 2014-2020 TOP, aims to reduce regional inequalities with integrated regional development tools. Compared to the TOP, it places greater emphasis on the development of the least developed 4 regions and 36 districts. Many planned interventions are the continuation of the measures of the predecessor programs (TOP, VEKOP, in some cases EFOP), so TOP Plus uses similar tools: the program is implemented through county and capital integrated regional programs with their own resources; continues the model of the territorial selection system (TKR).	1,3	Hungary	Questionnaire on Effective PI (2024) Regional And Urban Development Operative Program Plus
Government Committee for Regional Policy	A permanent operating and advisory body of the government for the implementation of national regional policy. Reflects even more effectively the needs of individual territorial units and ensures co-ordination of support measures at regional level.	1, 2, 12	Czechia	Questionnaire on Effective PI (2024)
Flemish Resilience Recovery Plan	The government of Flanders launched the program to strengthen prosperity in Flanders and enhance the well-being of the Flemish people following the COVID-19 pandemic. Totalling €4.3 billion, this is the most ambitious investment plan ever initiated by a Government of Flanders.	1, 4, 8, 11, 12	Belgium – Flanders	<i>Flemish Resilience</i>

Title	Description	Related principle/s	Country	Source / Link
Functional Urban Area Model Programme 2023	In order to actively support planning at the city-region level, a pilot process has been launched to find sustainable solutions to problems identified and addressed jointly by local actors, taking into account the size, functions and interconnections of cities in an integrated approach. The joint planning helps the services available in a given urban area to operate more efficiently, to improve the quality of life of the local population and to encourage the city and its surrounding area to cooperate in jointly agreed priority areas (e.g. transport management, cooperation between vocational training and economic operators, cultural and tourism cooperation). A participatory methodological toolkit supported the work carried out jointly by the Ministry and the coordinating city. The planning guide uses the URBACT European Urban Development Programme methodology manual and the facilitation practice of trainings and seminars. In addition to providing an integrated, participatory approach to urban planning, the Ministry responsible for Regional Development also provided experts, methodological assistance and training to facilitate joint learning during the working group meetings. A programme document is the result of the planning process of the Urban Working Group in which representatives of the coordinating cities and the Ministry worked together from March to November 2023. During the eight months of collaboration and 18 working group meetings, in addition to the preparation of the programme, the planning partners explored and studied, institutional and financing frameworks, international and national practices.	5,7	Hungary	Unlocking Infrastructure Investment (2021)
Ley N° 10096 de Desarrollo Regional de Costa Rica. Decreto Ejecutivo N° 43916 - PLAN, Reglamento a la Ley N°10096.del 24 de noviembre de 2021, Ley de Desarrollo Regional de Costa Rica.	The purpose of the law is to promote regional development in Costa Rica, to improve the conditions and quality of life of the entire population, respecting the cultural, social, economic, and environmental particularities and taking advantage of the synergies and potential of each region, in a context of democratic participation. Likewise, progressively reduce regional imbalances through the design and implementation of differentiated and inclusive public policies. The purpose of this regulation is to establish the guidelines, methodologies, procedures and priorities to be followed by public institutions and Regional Governance bodies, understood as: Local Governments, civil society organizations and private sector organizations, articulated in the Regional Development Agency (AREDE) in each region, in accordance with the provisions of the Regional Development Law of Costa Rica.	1,2,5,7,8	Costa Rica	Questionnaire on Effective PI (2024)
National Strategy for Regional Development	The new NSRD (2024-2028) was approved by the Presidency of the Republic of Türkiye. Its vision is “Overall developed Türkiye, through its local dynamics with its globally competitive, prosperous and resilient regions”. The new NSRD have four strategic goals: “Strengthen the global economic integration of regions”, “Enhance the competitiveness of regions”, “Ensure interregional economic and social convergence” and “Ensure post-	1, 2	Türkiye	Questionnaire on Effective Public Investment (2024)

Title	Description	Related principle/s	Country	Source / Link
(2024-2028)	disaster economic and social recovery”. NSRD is a framework document that establishes main strategies and priorities relating regional development. In line with the new NSRD, the development agencies have prepared new regional plans for 2024-2028. These regional plans include priority intervention areas, programme/project proposals and concrete targets and indicators.			