Roundtable 1
Making Decentralisation Work to achieve global agendas

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Subnational governments spend a large share of their budget on policy areas which matter most for citizens’ well-being.

**Fig 1. Subnational government expenditure by economic classification**

- **Education**: 24%
- **General public service**: 19%
- **Economic affairs (inc. Transport)**: 14%
- **Social protection**: 12%
- **Health**: 11%
- **Housing and community amenities**: 8%
- **Recreation, culture and religion**: 6%
- **Environmental protection**: 5%
- **Public order and safety**: 2%
- **Defence**: 0%

Source: SNG-WOFI database [2016 data]
Subnational governments are key investors, but there are important variations across countries.

Fig 2. Subnational government investment as a share of public investment by income groups

Subnational governments are in charge of 37% of public investment around the world.
Fig 3. Comparing subnational government expenditure as a percentage of GDP and GDP per capita (by income group)
Grants represent more than half of subnational government revenues (51%), before taxes (33%).

Fig 4. Subnational government revenue by category as a percentage of total subnational government revenue

Average for the sample
Decentralisation is not a zero-sum game in which the state loses what local and regional authorities gain.

Decentralisation policies imply a *renewed role for central governments* - more strategic.

*Decentralisation also goes hand in hand with an upscale in subnational governance* through municipal cooperation or mergers, new metropolitan governance mechanisms, and the strengthening of regions.

*Subnational governance is increasingly differentiated.* Asymmetric decentralisation is increasing in unitary countries, based on new motivations.
It is the design, not the degree of decentralisation, that matters

- Structural challenges which impede MLG systems from working properly
- The fiscal dimension is very often the weak or even missing link of decentralisation
- Making the most of multi-level governance systems is particularly crucial in the current context of growing divides between places

Need to have a **systemic approach to decentralisation** – i.e. political, administrative and fiscal dimensions

Promote **cooperation and partnerships** across levels of government

MLG systems keep evolving and need **regular adjustments**

10 guidelines for policy-makers
Thank you!

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