



*First international Conference of the World Observatory on
Subnational Government Finance and Investment*

Paris, 17 June 2019

Roundtable 1

Making Decentralisation Work to achieve global agendas

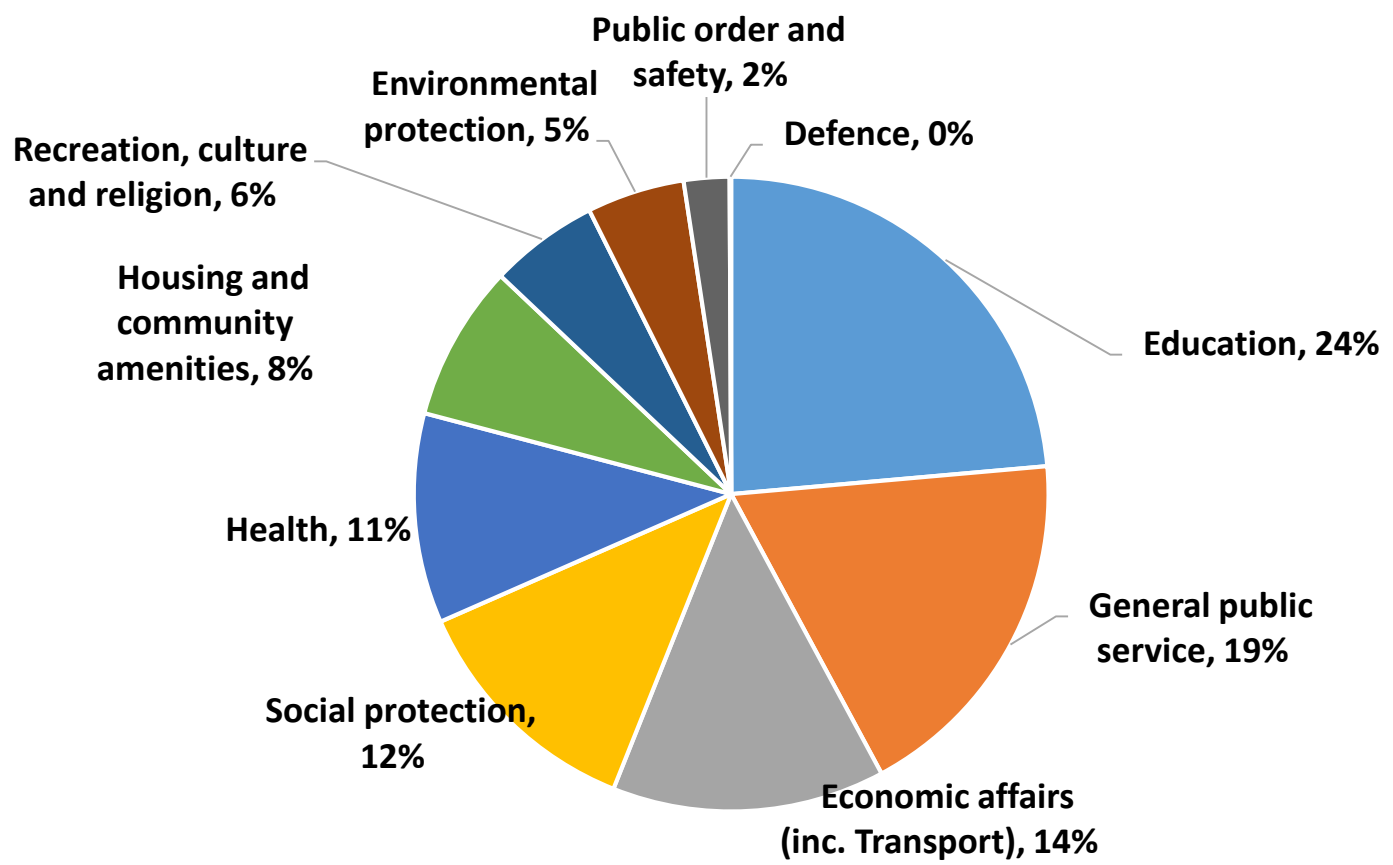
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Subnational governments spend a large share of their budget on policy areas which matter most for citizens' well-being

Fig 1. Subnational government expenditure by economic classification

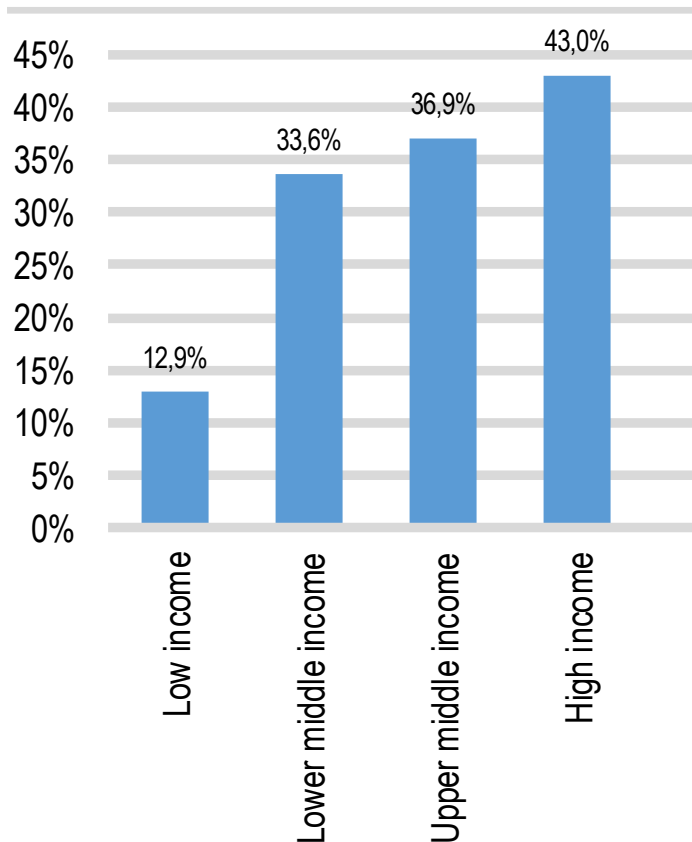


Source: SNG-WOFI database [2016 data]



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

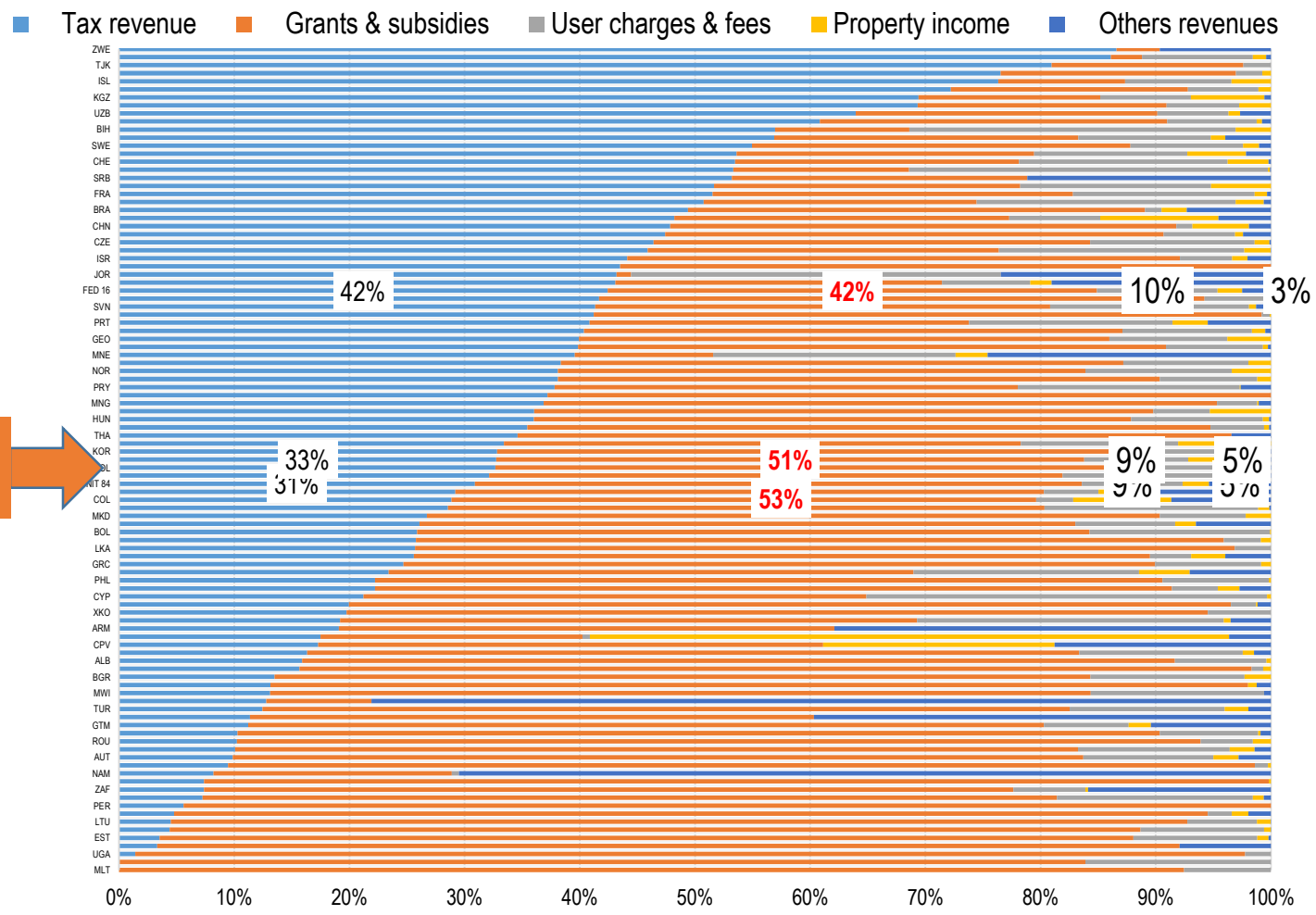


Subnational governments are in charge of 37% of public investment around the world



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



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Thank you!
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