



TRANSPORT POLICY AND SUBNATIONAL INVESTMENT IN A DECENTRALISED CONTEXT: OECD TRENDS AND TOOLS

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Implementing Decentralisation Reform in Ukraine
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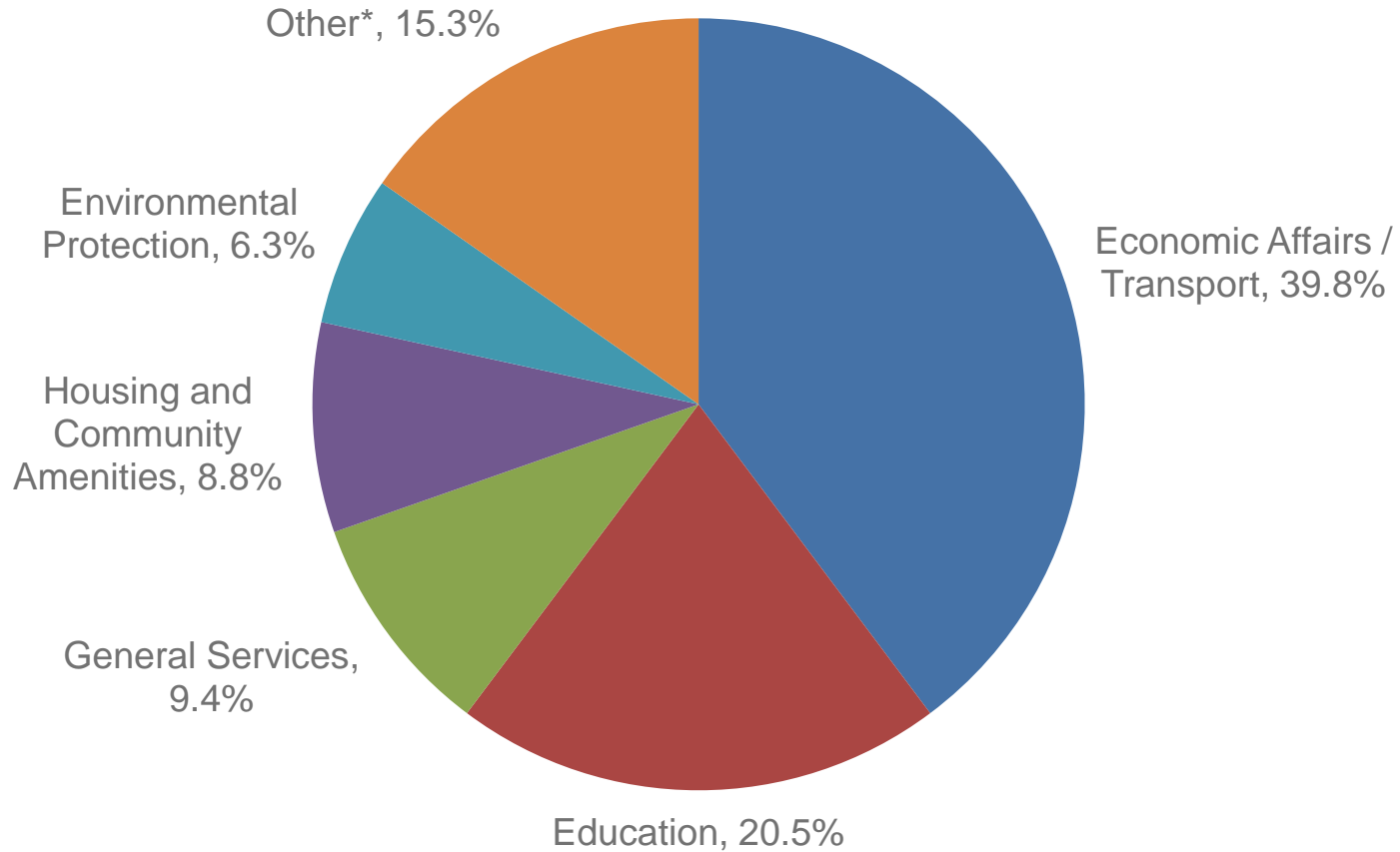


Introduction

- Subnational government investment by area
- Drivers for investment in transport and infrastructure
- Managing public investment across levels of government
- Making the most of transport investment in a decentralised context
- Drawing some conclusions for Ukraine



OECD Subnational Government Investment by Area (2015)

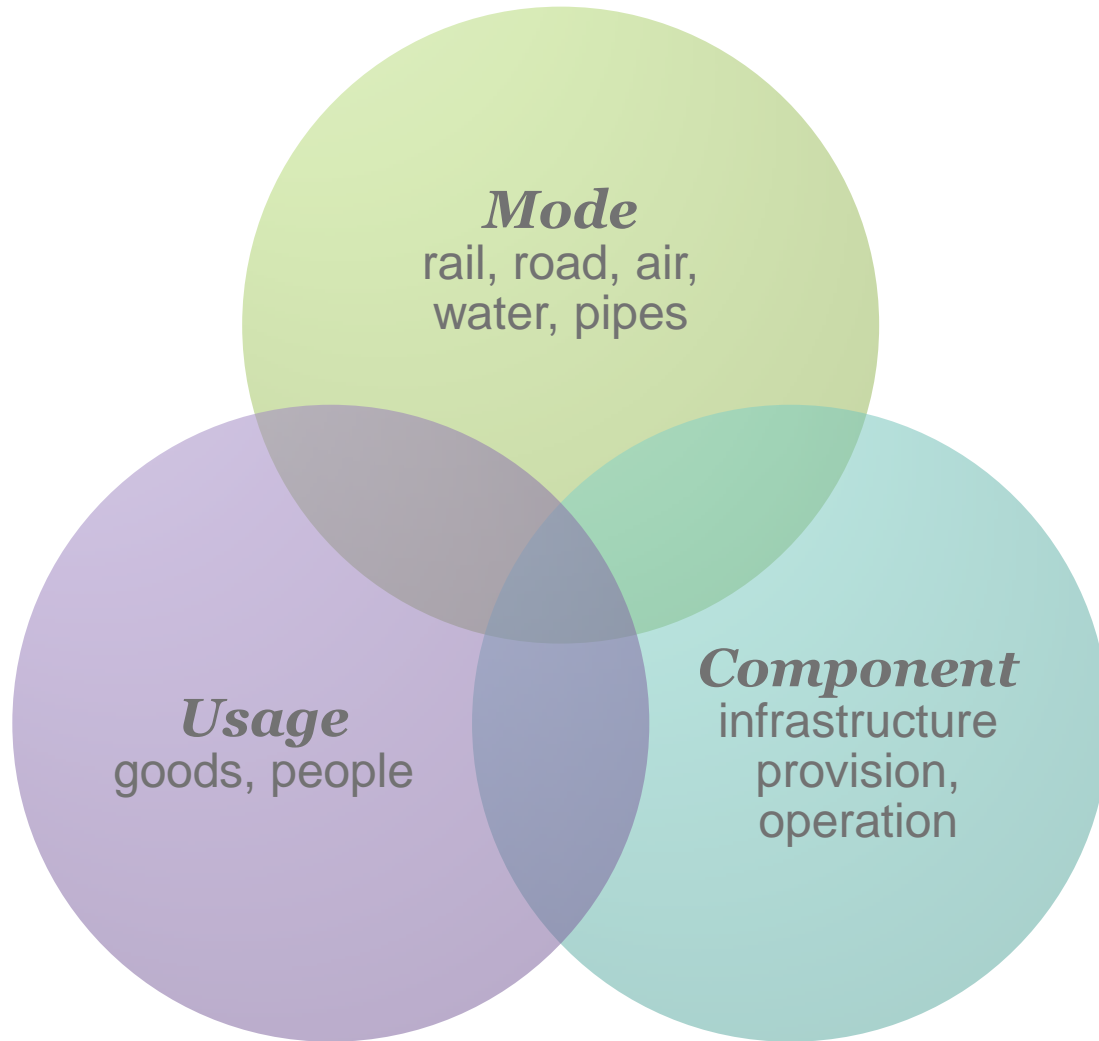


*Other: defence; public order and safety; health; recreation, culture and religion; social protection

Source: OECD (2017), *Subnational governments in OECD countries: Key data (brochure)*, OECD, Paris



Defining the Transport Sector





Decentralisation in the road sector

Task allocation among different levels of government

Network	Administration	Construction/ renovation	Maintenance
National	Central	Central or regional	Central or regional
Regional	Regional/central	Regional	Regional
Rural	Regional/central	Local	Local
Urban	Local/ metropolitan	Local	Local



Why Subnational Public Investment in Transport?

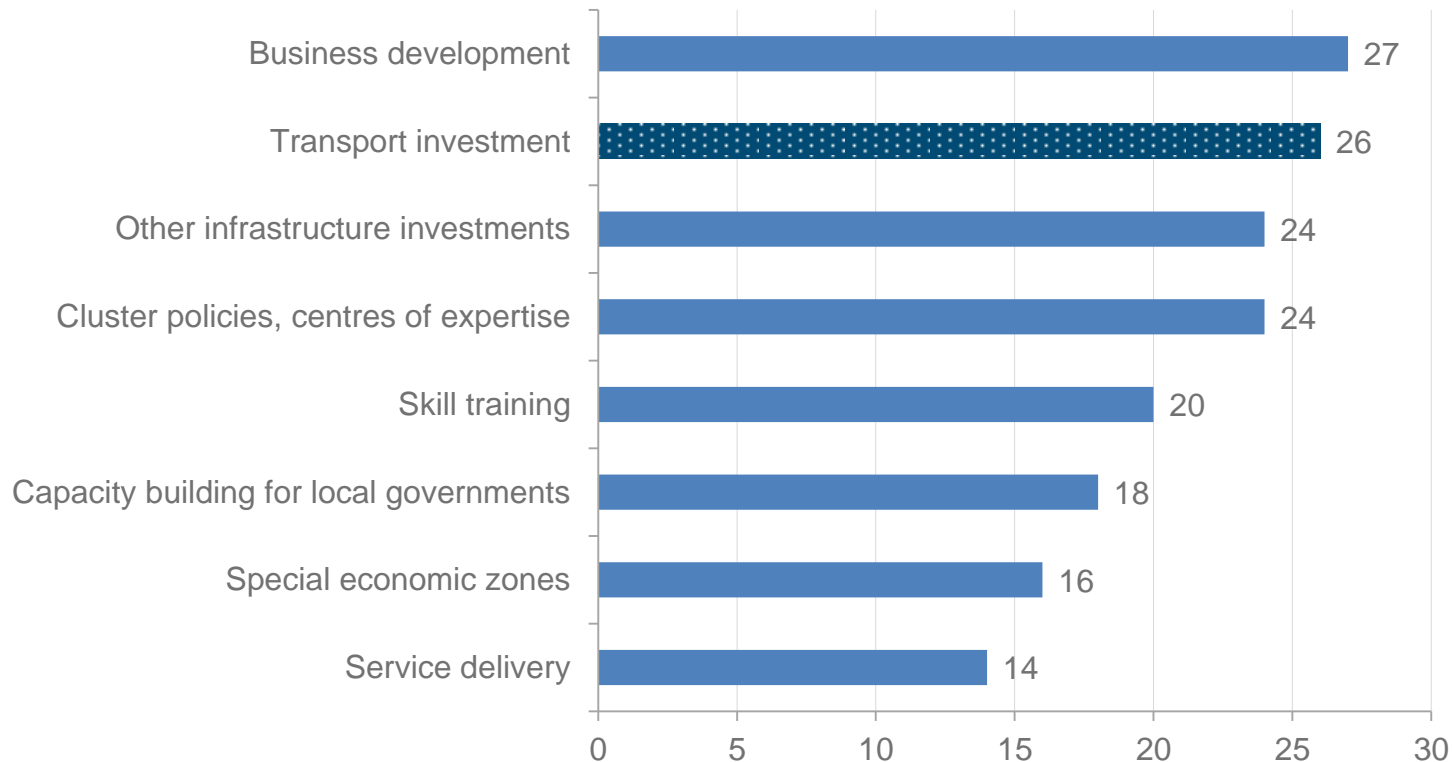
- Complements structural reform
- Supports inclusiveness
- Helps building productivity
- Improves public service delivery, well-being and meeting sustainability goals



Why Subnational Public Investment in Transport?

- As a policy tool for regional development

Use of Policy Tools in Regional Development

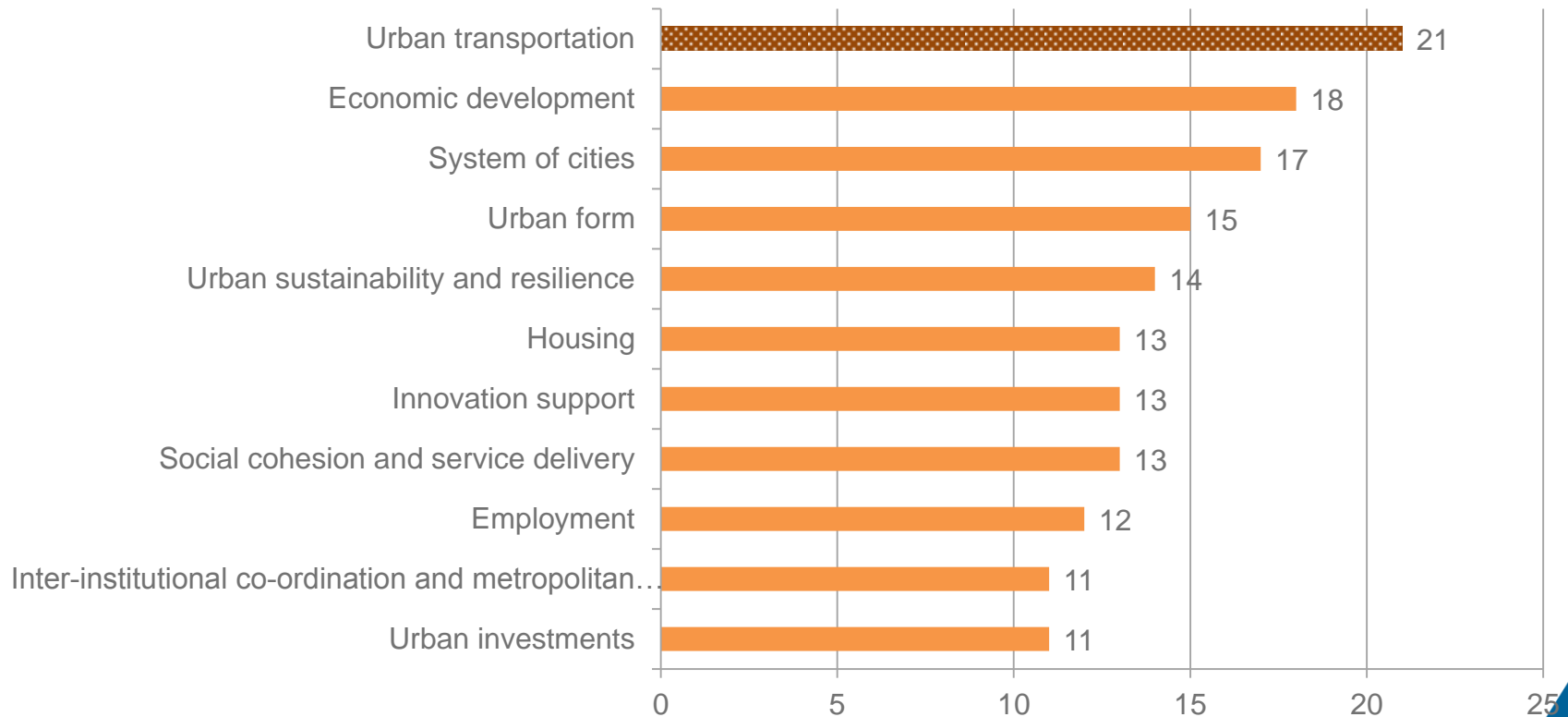




Why Subnational Public Investment in Transport?

- It is considered a priority for urban development

Urban Development Policy: Countries rating objectives as high priority



N=25 (Countries reporting on the importance of each priority in their urban development policy efforts on a scale of 1 (not important) to 5 (extremely important). Responses with a value of 4 or 5 are included.

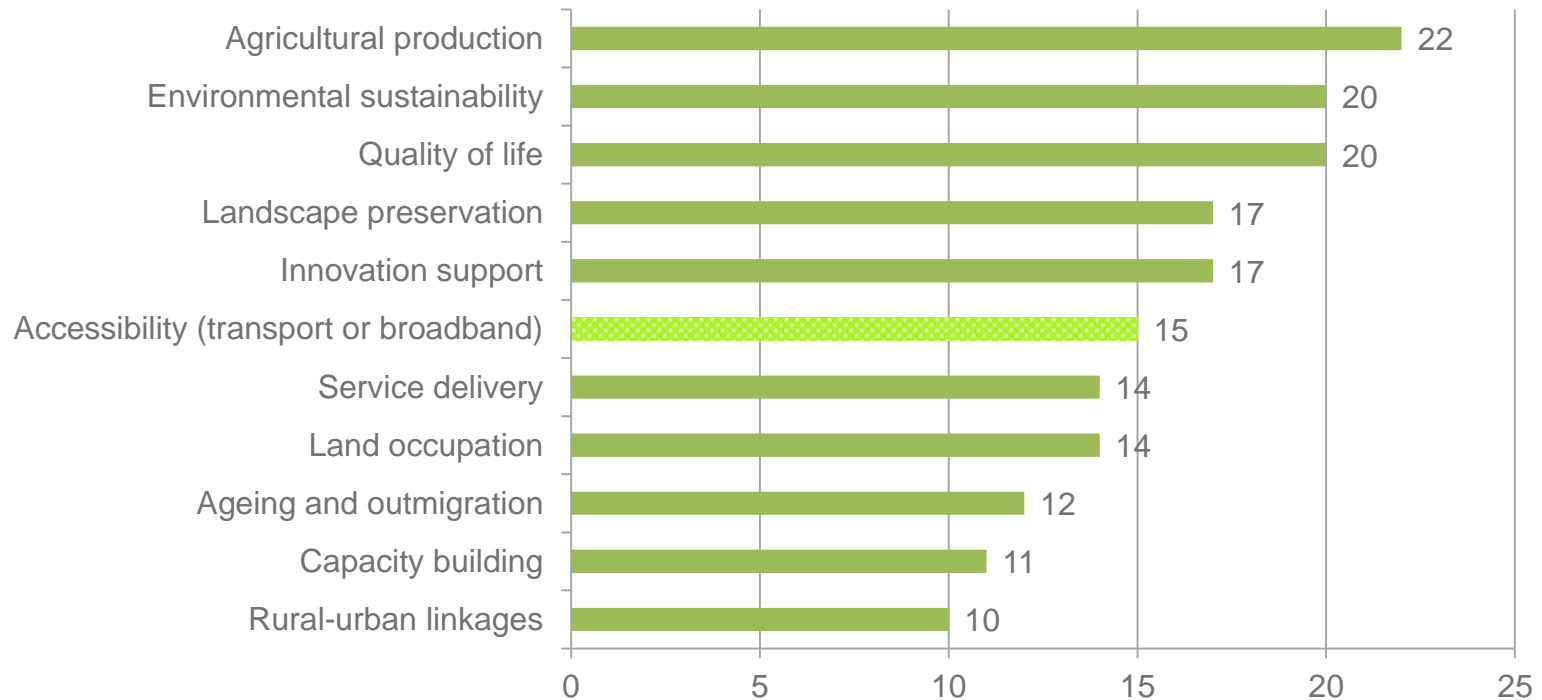
Source: *OECD Regional Outlook 2016*, OECD Publishing, Paris



Why Subnational Public Investment in Transport?

- It is less of a priority for rural development

Rural Development Policy: Countries rating objectives as high priority



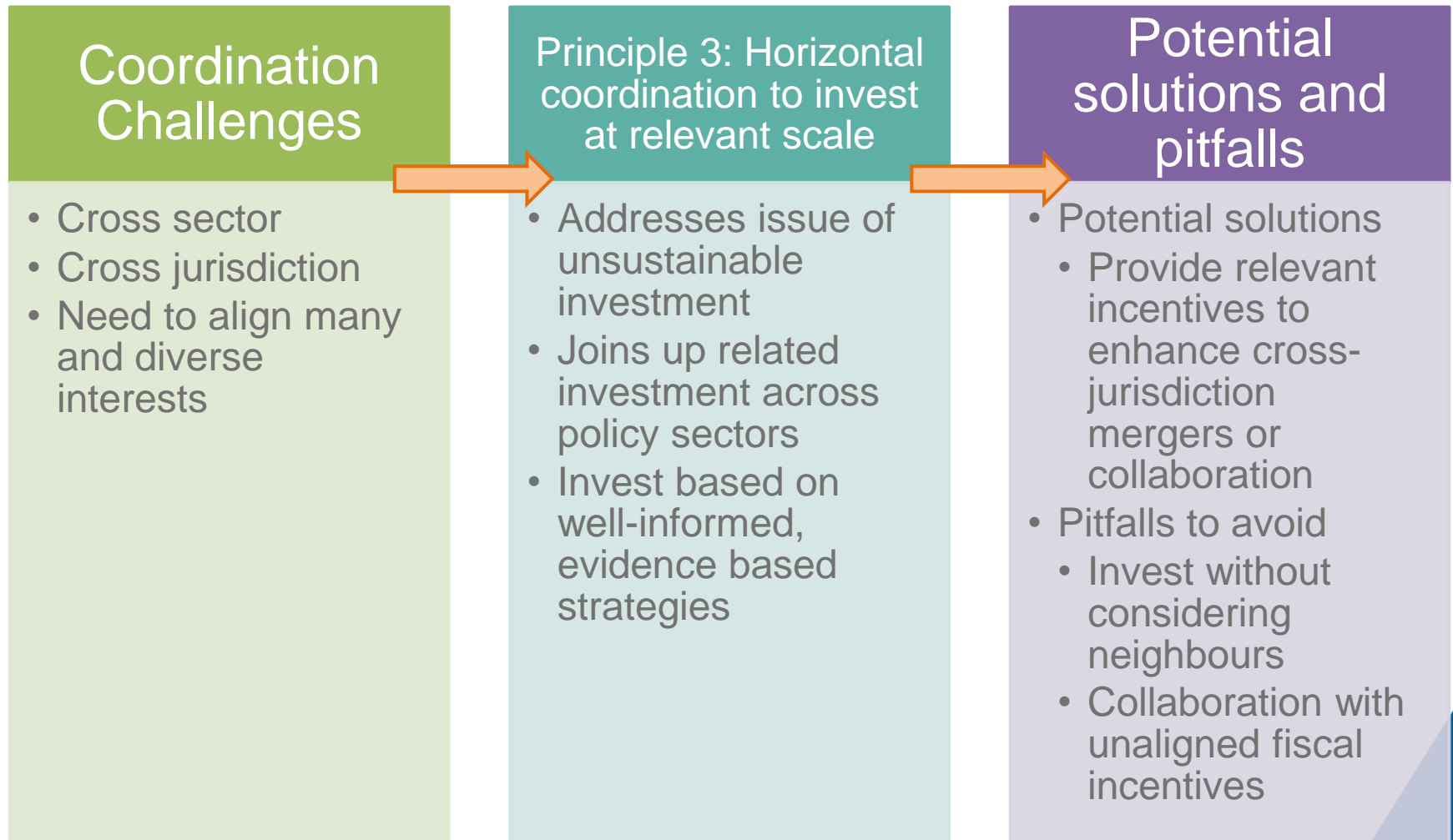
N=24 (Countries reporting on the importance of each priority in their rural development policy efforts on a scale of 1 (not important) to 5 (extremely important)). Responses with a value of 4 or 5 are included.

Source: *OECD Regional Outlook 2016*, OECD Publishing, Paris



Managing Public Investment across Levels of Government: Challenges, Principles, Solutions

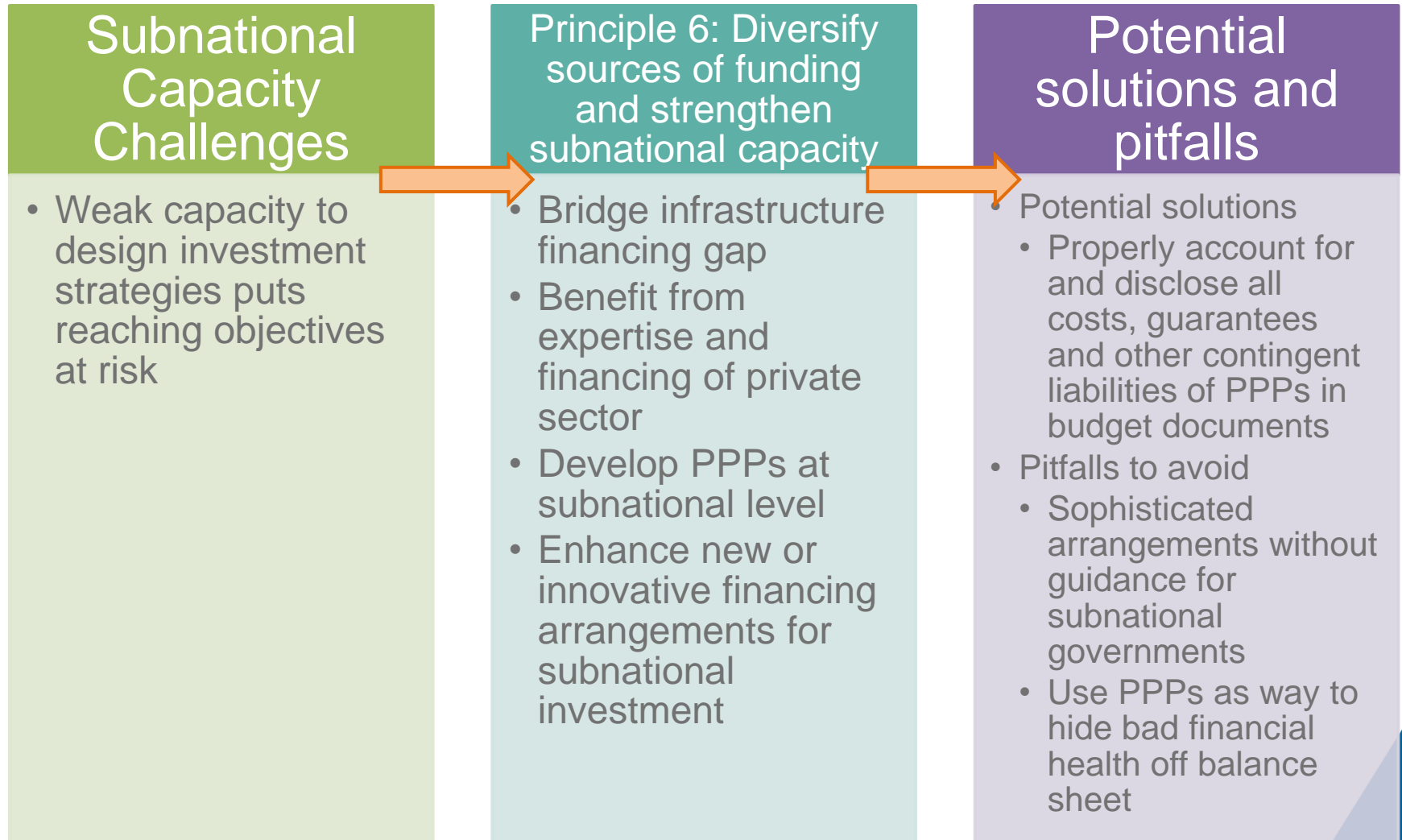
OECD Principles for Effective Public Investment across Levels of Government





Managing Public Investment across Levels of Government: Challenges, Principles, Solutions

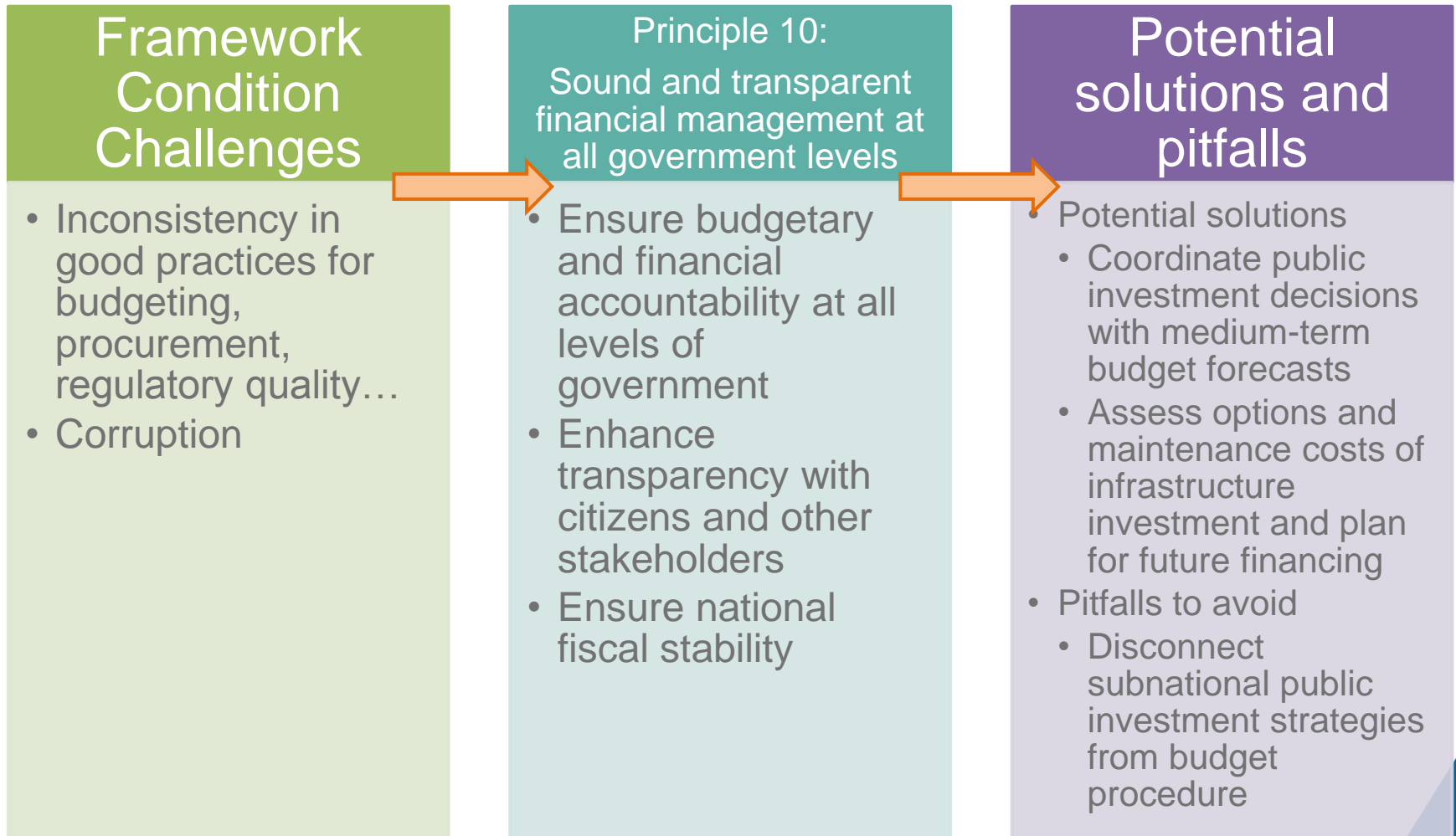
OECD Principles for Effective Public Investment across Levels of Government





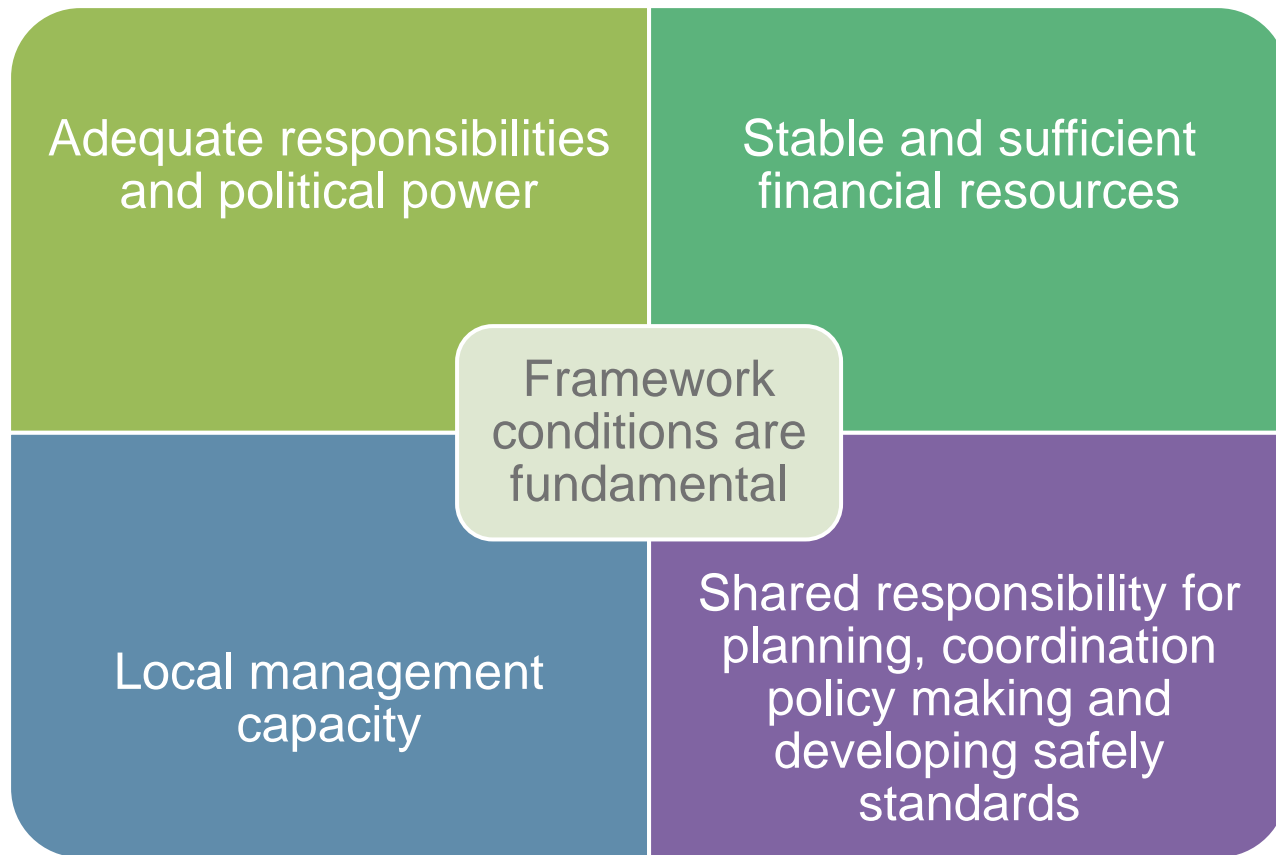
Managing Public Investment across Levels of Government: Challenges, Principles, Solutions

OECD Principles for Effective Public Investment across Levels of Government





What to watch out for when investing in a decentralised context





Some Conclusions and Questions for Ukraine

- Will greater decentralisation and investment in Ukraine's transport sector lead to
 - Increased productivity and inclusiveness?
 - Ability to seize the benefits of agglomeration economies?
 - Stronger urban-rural links?
 - Stronger rural development and improved urban environments?
- Some mechanisms in place to address investment challenges but they could be strengthened
- Proceed with some caution:
 - Framework conditions may be weak and require strengthening to maximise benefits of decentralisation in transport sector
 - Consider using good practice mechanisms to build capacity (e.g. those found in the OECD Recommendations for Public Investment across Levels of Government)



Thank you.

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