



# MULTI-LEVEL GOVERNANCE & RESILIENCE

## Why it matters

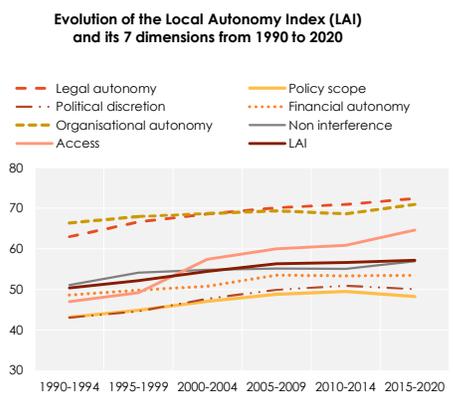
**Global Roundtable on Multi-level Governance**  
**New York University's Wagner Graduate School of Public Service in New York City**

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### Global trends of multi-level governance: an overview

**Evolution of the Local Autonomy Index (LAI) and its 7 dimensions from 1990 to 2020**



Note: other element of LAI are not shown in the figure: Political discretion, policy scope, non interference and organisational autonomy.  
 Source: Self-rule index for local authorities in the EU, Council of Europe and OECD countries, 1990-2020 - European Commission - Andreas Ladner, Nicolas Keuffer and Alexander Bastianen (2021)

The 'silent revolution' of decentralisation

At the regional level, since 1970, 97 of 125 countries—around 78%—have increased regional authority [Regional Authority Index].

The strongest gains are found in the Asia-Pacific region and in OECD member countries.

Since 1990, most of the 57 countries assessed have recorded gains in local autonomy.

Since 2020, progress has stalled

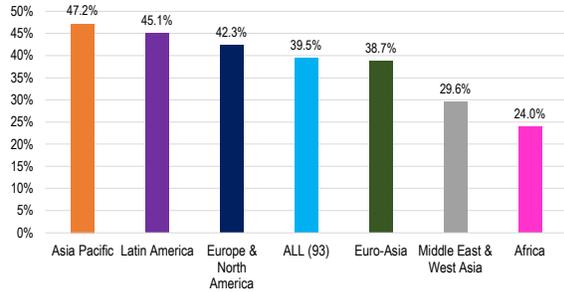
Re-centralisation trends in some countries, often linked to crises, but these *do not outweigh* the broader trend.

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## Subnational governments at the frontline of managing global challenges, crises and disasters

Subnational government investment as a percentage of total public investment by world region



Source: OECD/UCLG (2022), 2022 Synthesis Report - World Observatory on Subnational Government Finance and Investment, [www.sng-wofi.org](http://www.sng-wofi.org)

Worldwide, SNGs are responsible for 22% of public expenditure and about 40% of public investment

Local and regional authorities are at the frontline of crisis and disaster management

Over the past five decades, the number of natural disasters globally has increased by about five times compared with mid-20th-century levels, largely driven by climate-related events such as storms, floods and droughts

69% of climate related public expenditure are undertaken by subnational governments in OECD countries.

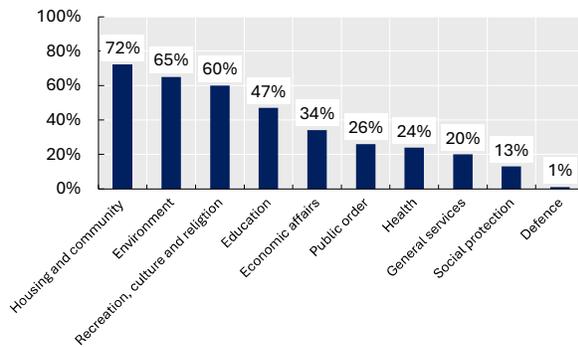
→ Strengthening subnational capacities is not just an administrative matter — it is fundamental to building more resilient societies

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## Multi-level governance is about managing shared responsibilities and mutual dependency

Share of decisions where more than one government level is involved



Most responsibilities are **shared** among levels of government – except defense and monetary policy

A large share of decisions on policy areas critical to resilient countries involve more than one levels of government.

Inter-dependencies across levels of government to manage global challenges and risks (climate change, geopolitical risks, security challenges) have been growing.

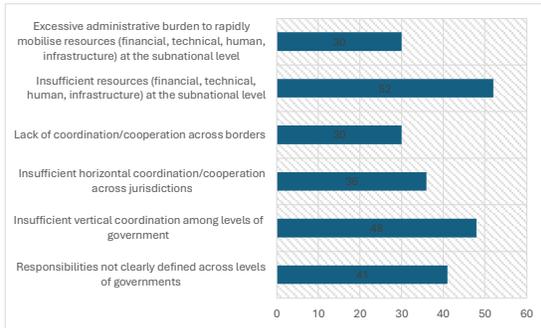
**Mutual dependency** -- No single level of government can address complex policy challenges alone:

- ✓ Call for strengthened multi-level governance to build more resilient countries, regions and cities

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## Strengthening multi-level governance | (1) Clarity in the way responsibilities are assigned and shared

### Main challenges reported by subnational governments in managing the health crisis

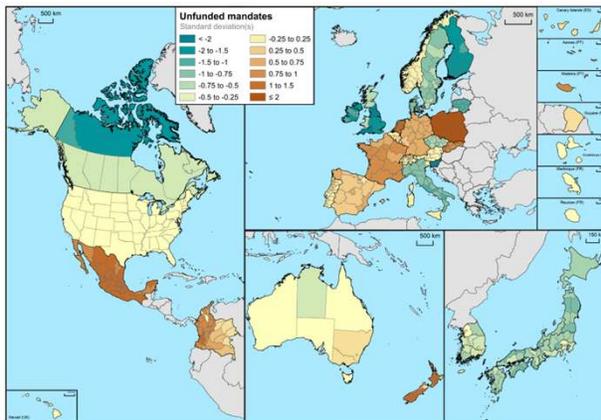


Source: OECD (2021)

- The way responsibilities are shared should be **explicit, mutually understood and clear** for all actors
- Equally important is **the clarity in the different functions** that are assigned, within policy areas - financing, regulating, implementing, or monitoring
- Each level of government needs to know what it's responsible for — and what it isn't. Getting specific. e.g.:
  - who leads on mitigation in housing?
  - Who funds resilience in transport?
  - What happens when responsibilities overlap?

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## Strengthening multi-level governance | (2) Building subnational capacities — with adequately funded responsibilities



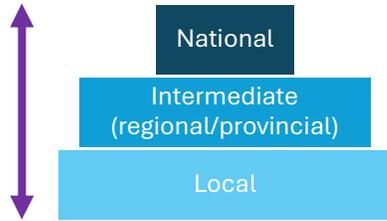
Responsibilities must be adequately funded

Not just a challenge for developing countries

**Greater tendency towards unfunded mandates at the regional level** =, notably in European and Latin American countries (compared to North America / Australia) [dataset covering 518 OECD regions over the 1997-2018 period]

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**Strengthening multi-level governance | (3)  
Enhancing vertical coordination among levels of government**



Many of crisis management failures happen because of a lack of coordination.

Coordination does not happen spontaneously. It needs to be incentivised. There are many ways to do so

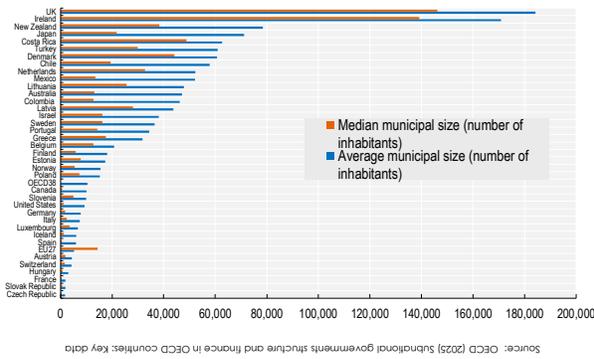
Some countries have reinforced vertical coordination mechanisms in recent years

Strengthened vertical coordination should not be confused with recentralisation

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**Strengthening multi-level governance | (4)  
Horizontal cooperation across subnational governments to act at the relevant scale**

**Municipalities by population size  
(% of total municipalities, 2024-2025)**



Challenges and risks – linked to climate or broader security issues – do not stop at municipal borders.

Central/regional governments need to promote cooperation across jurisdictions, as well as cross-border cooperation

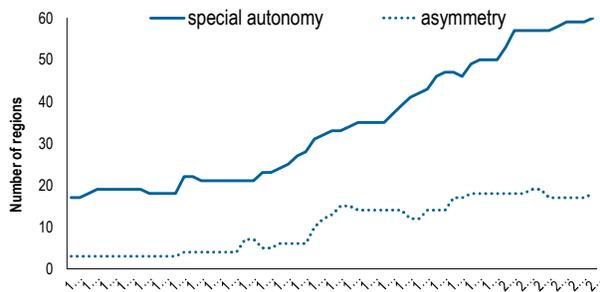
Many countries do not have incentives in place to promote cooperation across jurisdictions

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## Strengthening multi-level governance | (5) allow asymmetric decentralization to promote stability and resilience

### Increased asymmetric decentralisation as measured by the Regional Authority Index (81 countries)



Source: Schakel et al., 2018<sup>[44]</sup>

A growing number of countries use some type of asymmetric decentralization arrangements

Asymmetric decentralisation is quite commonly used in post-conflict settings

Accommodating diverse preferences for political and fiscal autonomy across regions may help maintain political stability.

The type of asymmetric decentralisation should be well defined (political, administrative/management or/and fiscal) as the objectives and instruments will differ in each case

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## Strengthening MLG: the role of international organisations, development banks & donors

### From advocacy to evidence-based knowledge and policy advice:

Economic, social and environmental outcomes — as well as resilience to shocks, disasters and conflicts — depend largely on the quality of multi-level governance systems.

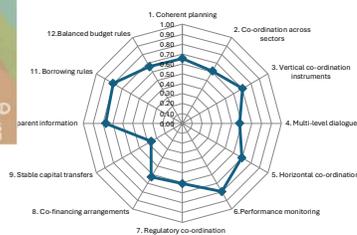
### Making Multi-level Governance Work:

- Strengthening subnational capacities (financial, human, institutional)
- Enhancing vertical coordination mechanisms (incentives/institutions) strengthening horizontal cooperation across jurisdictions
- Asymmetric decentralisation – carefully designed

**Many areas for further research and missing data...**

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## Strengthening MLG: the role of international organisations, development banks & donors



- Better connect the academic world, the practitioners and IOs to consolidate knowledge and data on MLG around the world.
- Continue the progress on measurement, by going even more granular in measuring multi-level governance, better measuring differentiated subnational governance, better assessing coordination mechanisms, and better linking the measurement to policy outcomes

Collecting data and indicators to :

- provide evidence-based advice and recommendations
  - Allow cross-country comparisons
  - Measure progress
- 
- World Observatory Subnational Finance & Investment → 4<sup>th</sup> edition in 2026
  - OECD Multi-level governance Indicators
  - MLG Country Reviews

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## Contact

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 [www.oecd.org/cfe](http://www.oecd.org/cfe)

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# OECD references

## Multi-level governance / Decentralisation / regionalisation



## Subnational government finance



## Public and infrastructure investment



## Subnational climate finance

