
2 September 2020, 2:00 – 3:30 pm (CEST)
Webinar Structure

1. **Input 1**: Dorothée Allain-Dupré, Head of the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), OECD
   - Q & A

2. **Input 2**: Dr. Gabe Ferrazzi, University of Gulph (Canada)
   - Q & A

3. **Input 3**: Bruno Carrasco, Chief of Governance Thematic Group, Asian Development Bank (ADB)
   - Q & A

4. **Wrap-Up**
Control Panel

Grab Tab: From the Grab Tab, you can

1. Hide the Control Panel
2. You have been muted by the organizer
3. View the webinar in full screen
4. Raise hand
5. Language
6. Question box

Type any questions during the webinar into the Questions window and click Send. Questions can be read by moderators.
MANAGING THE COVID-19 CRISIS ACROSS LEVELS OF GOVERNMENT: INSIGHTS FROM OECD COUNTRIES

Dorothee Allain-Dupré
Head of Unit, Decentralisation, Subnational Finance and Public Investment
CFE/OECD
The pandemic triggered the most serious economic crisis since the Great Depression of the 1930s

Real GDP growth, Q1 2020

- Radical uncertainty
- National and subnational governments have to manage multiple crisis at once

Source: IMF, June 2020
Differentiated territorial impact of COVID-19 crisis

- Municipalities and regions are at the frontline of managing the crisis
- The impact is asymmetric within countries, between regions and local areas – in the health, economic and fiscal impacts of the crisis.
- The maps of the various impacts do not coincide
Regional disparities in the territorial impact of the health crisis

Regional share of fatalities linked to COVID-19 within countries

Source: oe.cd/il/2X6
Differentiated territorial economic impact and ways to mitigate it (telework)

Touristic regions and metropolitan regions are at higher risk of job disruption than other regions.

The potential for telework is unevenly distributed within countries. Urban populations have a significantly higher potential to telework than those in rural areas for example.

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Differentiated fiscal impact on subnational governments

Strong pressure on expenditure, reduced revenue – risks of increased deficits and debts - in the short/medium terms

Differentiated fiscal impact across subnational governments

Falling revenues

Increased expenditure

Forthcoming CoR/OECD survey: 86% of subnational governments feel a strong or very strong impact on subnational finance – large cities report the strongest impact

Source: Partenaires Finances locales, 2020
A Territorial approach is needed, both for the health and economic crisis

- COVID-19’s asymmetric impact on individuals, communities, and regions gives a new urgency to a place-based approach to regional development
- For the health crisis, the importance of this place-based approach has consistently grown over the past months (local lockdowns, masks policies)
- National economic recovery strategies need to include a territorial dimension, and need to be accompanied by proactive local/regional economic recovery strategies (support to SMEs and public investment)
Coordination across levels of government is more important than ever

- Responsibilities are shared
- Externalities linked to Covid-19 are high
- No jurisdiction or country can fight alone
⇒ Coordination is more important than ever
- The crisis is also accentuating the importance of a clear assignment of responsibilities among levels of government
Supporting subnational finance

More than two third of OECD countries have adopted measures to support subnational finance
Building resilient regions

- COVID-19 is challenging all types of government – national, regional and local – to be better prepared for future shocks, regardless of their nature.
- Long term priorities need to be considered today, and integrated in the responses to the crisis.
- Priorities for regions:
  - Integrating climate objectives into recovery plans
  - Rethinking regional development in a more balanced way
  - Massive boost of digitalisation, need to reduce digital gaps across regions
  - Partnerships with the private and third sectors, and with citizens

>> This calls for rethinking governance and fiscal systems for greater regional resilience
Thank you

For more information

www.oecd.org/coronavirus

Dorothee.Allain-dupre@oecd.org

Link to the paper: oe.cd/il/2X6
Multi-level Government Response to COVID-19; Emerging lessons

Gabriele (Gabe) Ferrazzi  Ph.D.
Special Faculty, School of Environmental Design and Rural Development
University of Guelph

Supported with funding from
Presenting Outline

- 10 countries list by SNG structure
- Who’s performing?
- Multi-level Government: why?
- Government actions taken
- **Three emerging lessons**
- What’s next?
### Case studies: 10 countries

<table>
<thead>
<tr>
<th>Country</th>
<th>State structure</th>
<th>State/Province/Region</th>
<th>Local levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>Federal</td>
<td>10 provinces and 3 territories</td>
<td>3,700 municipal governments (regions, counties, cities, townships)</td>
</tr>
<tr>
<td>United States</td>
<td>Federal</td>
<td>50 states</td>
<td>3,034 counties; 19,429 municipalities (city, town, village); 16,504 Town/ships</td>
</tr>
<tr>
<td>Italy</td>
<td>Unitary</td>
<td>20 regions, 5 with special autonomy</td>
<td>Over 8,000 communes of various sizes.</td>
</tr>
<tr>
<td>Mexico</td>
<td>Federal</td>
<td>32 states</td>
<td>2,378 municipalities</td>
</tr>
<tr>
<td>South Africa</td>
<td>Unitary</td>
<td>9 provinces</td>
<td>278 municipalities (comprising 8 metropolitan, 44 district and 226 local municipalities)</td>
</tr>
<tr>
<td>China</td>
<td>Unitary</td>
<td>33 provincial-level regions</td>
<td>334 prefecture-level divisions, 2,862 county-level divisions, 41,034 township-level administrations, and 704,382 basic level autonomies</td>
</tr>
<tr>
<td>Philippines</td>
<td>Unitary</td>
<td>81 provinces, 146 cities, 1,488 municipalities, and 42,036 barangays</td>
<td>146 cities, 1,488 municipalities, and 42,036 barangays</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Unitary</td>
<td>34 provinces</td>
<td>416 districts, 98 cities (referred to as regional government); 81,626 villages.</td>
</tr>
<tr>
<td>Pakistan</td>
<td>Federal</td>
<td>7 provinces or territories</td>
<td>129 districts; 2,055 urban councils (one city district, four metropolitan corporations, 24 municipal corporations, 280 municipal committees, 148 town councils and 1,598 union committees); 8,145 rural councils (166 District councils and 7,979 union councils).</td>
</tr>
<tr>
<td>Singapore</td>
<td>Unitary</td>
<td>None</td>
<td>5 community development councils</td>
</tr>
</tbody>
</table>
10 countries: different morbidity/mortality and “Performance”

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Cases</th>
<th>Total Deaths</th>
<th>Total Cases /1M pop</th>
<th>Deaths /1M pop</th>
<th>Total Tests</th>
<th>Tests /1M pop</th>
<th>Population</th>
<th>Performance trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>5,634,762</td>
<td>174,499</td>
<td>17,010</td>
<td>527</td>
<td>72,143,051</td>
<td>217,786</td>
<td>331,256,357</td>
<td>Red</td>
</tr>
<tr>
<td>South Afr.</td>
<td>589,886</td>
<td>11,982</td>
<td>9,930</td>
<td>202</td>
<td>3,415,670</td>
<td>57,499</td>
<td>59,404,038</td>
<td>Orange</td>
</tr>
<tr>
<td>Mexico</td>
<td>525,733</td>
<td>57,023</td>
<td>4,072</td>
<td>442</td>
<td>1,181,695</td>
<td>9,153</td>
<td>129,106,847</td>
<td>Red</td>
</tr>
<tr>
<td>Pakistan</td>
<td>289,832</td>
<td>6,190</td>
<td>1,309</td>
<td>28</td>
<td>2,317,213</td>
<td>10,465</td>
<td>221,424,972</td>
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<tr>
<td>Italy</td>
<td>254,636</td>
<td>35,405</td>
<td>4,212</td>
<td>586</td>
<td>7,642,059</td>
<td>126,420</td>
<td>60,449,906</td>
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<tr>
<td>Philippines</td>
<td>169,213</td>
<td>2,687</td>
<td>1,542</td>
<td>24</td>
<td>2,108,597</td>
<td>19,210</td>
<td>109,766,558</td>
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<tr>
<td>Indonesia</td>
<td>143,043</td>
<td>6,277</td>
<td>522</td>
<td>23</td>
<td>1,915,039</td>
<td>6,992</td>
<td>273,895,240</td>
<td>Green</td>
</tr>
<tr>
<td>Canada</td>
<td>123,046</td>
<td>9,042</td>
<td>3,256</td>
<td>239</td>
<td>4,840,043</td>
<td>128,094</td>
<td>37,784,956</td>
<td>Green</td>
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<tr>
<td>China</td>
<td>84,871</td>
<td>4,634</td>
<td>59</td>
<td>3</td>
<td>90,410,000</td>
<td>62,814</td>
<td>1,439,323,776</td>
<td>Green</td>
</tr>
<tr>
<td>Singapore</td>
<td>55,938</td>
<td>27</td>
<td>9,552</td>
<td>5</td>
<td>1,610,906</td>
<td>275,072</td>
<td>5,856,313</td>
<td>Green</td>
</tr>
</tbody>
</table>

- As of August 18, 2020
- Picture is dynamic, progress and reversals.
- What do we mean by performance?
- Where does Multi-level Governance fit in?
Multi-level Governance (MLG)

1) Legal framework for “who does what” (functional assignment in health emergency)
2) Substantial roles across levels of government and freedom of action
3) Clear boundaries and linkages across roles/mandates
4) Forums for coordination (learning and adjusting)
5) ....
6) ....

How could MLG add resilience?
# 5 STAGES OF GOVT. RESPONSE

1. IMPOSING LARGE-SCALE RESTRICTIONS AND OTHER COUNTERMEASURES
2. BOOSTING THE HEALTH SYSTEM
3. SOCIO-ECONOMIC SUPPORT TO THOSE MOST AFFECTED
4. RELAXING RESTRICTIONS AS HEALTH EMERGENCY RECEDES
5. AIDING THE ECONOMIC RECOVERY

# MEASURES (18)

1.1 Large-scale restrictions on the movement of people and good domestically and internationally
1.2 Deployment and management of workers, and remuneration of workers
1.3 Imposing additional behaviors for health reasons

# DETAILED ACTIONS (>50)

- Wearing of masks (cloth coverings/non-medical masks) in public
- Requiring use of sanitizers on entering certain premises
- Requiring active screening on entering certain premises

# ACTORS

SNG make a significant difference in generating an effective MLG approach to a pandemic response:

- Proximity to local stakeholders (communication, trust)
- Continuity in essential service delivery
- Creativity and agility/timeliness of response
### Broad roles across levels of government by stage of response

#### STAGES OF GOVERNMENT RESPONSE

<table>
<thead>
<tr>
<th>LEVEL OF GOVERNMENT</th>
<th>STAGE 1 Imposition of large scale restrictions</th>
<th>STAGE 2 Boosting of health system</th>
<th>Stage 3 Economic support for those most affected</th>
<th>Stage 4 Relaxation of restrictions</th>
<th>Stage 5 Aiding the economic recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>Leading</td>
<td>Supporting</td>
<td>Leading</td>
<td>Leading</td>
<td>Leading/Supporting</td>
</tr>
<tr>
<td>Intermediate</td>
<td>Leading/Supporting</td>
<td>Leading/Supporting</td>
<td>Supporting</td>
<td>Leading/Supporting</td>
<td>Leading/Supporting</td>
</tr>
<tr>
<td>Local</td>
<td>Supporting</td>
<td>Leading</td>
<td>Supporting</td>
<td>Supporting</td>
<td>Leading/Supporting</td>
</tr>
</tbody>
</table>

*A great deal of interdependence!*
Functional assignment can facilitate or hinder an effective SNG response:

✓ Legal framework is supportive of creativity and initiative (e.g., general competence, consistency between streams of legislation)
✓ Capacity and resources match functions and are sufficient to act

✗ Ambiguous drafting or gaps in framework
✗ Rigid and narrow mandates
✗ Tradition of waiting for higher level leadership
Vertical coordination structures can help but are no solutions to poor legal framework and practices in functional assignment:

LESSON #3

✓ Well established pattern of communication/negotiation is helpful
✓ Political leadership can enhance or undermine coordination effort

✗ Political partisanship can corrode trust and coherence in policies across levels
✗ Inconsistent reliance on science across levels can also hinder communication and coordination
✗ If SNG is weak and marginalized to begin with, coordination is less meaningful or workable.
SO, LOOKING AHEAD

- Fortify SNG (not just national level): they are crucial partners
- Examine functional assignment; health functions are standardized, but economic are not – how to deal with SNG roles in both?
- Learn from natural experiments and novel practices; disseminate them.

Economic recovery (unfolding) and vaccination stage (to come) will present more challenges...more waves?....more viruses?:
Q & A
Policies and Strategies to Post-COVID-19: How to Strengthen Multi-Level Systems in Asia and the Pacific

Bruno Carrasco, Chief of Governance Thematic Group, Asian Development Bank
02 September 2020
All 2020 Forecasts in Asia-Pacific are Downgraded

<table>
<thead>
<tr>
<th>Region</th>
<th>ADO 2020</th>
<th>ADOS 2020</th>
<th>Region</th>
<th>ADO 2020</th>
<th>ADOS 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia</td>
<td>2.0</td>
<td>1.3</td>
<td>South Asia</td>
<td>4.1</td>
<td>-3.0</td>
</tr>
<tr>
<td>Hong Kong, China</td>
<td>-3.3</td>
<td>-6.5</td>
<td>Bangladesh</td>
<td>7.8</td>
<td>4.5</td>
</tr>
<tr>
<td>People’s Republic of China</td>
<td>2.3</td>
<td>1.8</td>
<td>India</td>
<td>4.0</td>
<td>-4.0</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>1.3</td>
<td>-1.0</td>
<td>Pakistan</td>
<td>2.6</td>
<td>-0.4</td>
</tr>
<tr>
<td>Taipei, China</td>
<td>1.8</td>
<td>0.8</td>
<td>Central Asia</td>
<td>2.8</td>
<td>-0.5</td>
</tr>
<tr>
<td>Southeast Asia</td>
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<td>-2.7</td>
<td>Azerbaijan</td>
<td>0.5</td>
<td>-0.1</td>
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<td>Indonesia</td>
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<td>Kazakhstan</td>
<td>1.8</td>
<td>-1.2</td>
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<tr>
<td>Malaysia</td>
<td>0.5</td>
<td>-4.0</td>
<td>The Pacific</td>
<td>-0.3</td>
<td>-4.3</td>
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<td>Philippines</td>
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<td>Fiji</td>
<td>-4.9</td>
<td>-15.0</td>
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<td>Papua New Guinea</td>
<td>0.8</td>
<td>-1.5</td>
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<tr>
<td>Thailand</td>
<td>-4.8</td>
<td>-6.5</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Viet Nam</td>
<td>4.8</td>
<td>4.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing Asia</td>
<td>2.2</td>
<td>0.1</td>
<td>Excluding NIEs</td>
<td>2.4</td>
<td>0.4</td>
</tr>
</tbody>
</table>

▼ = downgraded forecast.

Progress in Achievement of SDGs in Asia and the Pacific

- Region is **not** on track to achieve any of the 17 SDGs by 2030.
- The pandemic has reminded us how vulnerable our region is and revealed weaknesses in many of systems and networks.

Note: Data and graphics credit to United Nations Economic and Social Commission for Asia and the Pacific.
The Pandemic in Asia and the Pacific makes a Challenging Outlook even Worse.
Sub National Government Expenditure and Revenue as a percentage of GDP

Data from the OECD World Observatory on Subnational Finance and Investment 2019 serves to highlight i) the relatively low level of fiscal decentralization and (ii) presence of greater share of public spending over revenue across many countries.

Tax-to-GDP Ratios Between 2010 and 2018

Note: Data do not include Social Security Contribution.
Sources: OECD Revenue Statistics 2020, IMF Article IV Report, and ADB Key Indicators Database.
Localizing the Sustainable Development Goals

65% of the 169 targets comprising the 17 SDGs will require operationalizing through subnational and local governments (Sachs, et al., 2019)
We must work together to build a better future!
ADB has supported DMCs through three important windows

- **CPROs** - In April 2020, ADB announced an enhanced $20 billion package of upfront budgetary to support its DMCs to address the impacts of the COVID-19 pandemic along with measures to streamline its operations for quicker and more flexible delivery of assistance.

- **TASF** - ADB allocated $100 million of TASF resources for 2020, used to support DMCs in their COVID-19 response, including immediate support in procurement of medical supplies and equipment.

- ADB’s Flagship $48 million regional Technical Assistance Support re-allocated to Address the Outbreak of COVID-19 and Potential Outbreaks of Other Communicable Diseases to target funding procurement of personal protective equipment (PPEs), technical advice and other inputs required for building up the prevention, detection, and treatment capacities.
Strategy 2030: ADB’s 7 Operational Priorities

- **Addressing remaining poverty and reducing inequalities**
  - Human development and social inclusion, quality jobs, education and training, better health, social protection

- **Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability**
  - Low greenhouse gas emissions development, approach to building climate and disaster resilience, environmental sustainability, water-food-energy security nexus

- **Promoting rural development and food security**
  - Market connectivity and agricultural value chain linkages, agricultural productivity and food security, food safety

- **Fostering regional cooperation and integration**
  - Connectivity and competitiveness, regional public goods, cooperation in finance sector, subregional initiatives

- **Accelerating progress in gender equality**
  - Scale-up support for gender equality; women’s economic empowerment; gender equality in human development, decision-making, and leadership; reducing time poverty for women; strengthening women’s resilience to shocks

- **Making cities more livable**
  - Integrated solutions, funding for cities, inclusive and participatory urban planning, climate resilience and disaster management

- **Strengthening governance and institutional capacity**
  - Public management reforms and financial sustainability, service delivery, capacity and standards
ADB Strategy 2030 Supporting DMCs to Achieve the SDGs

- Knowledge Solutions and South-South Learning
- ADB Partnerships
- Country Partnership Strategies reflecting national SDG priorities
- ADB projects mobilize finance for SDGs
- ADB Targeted TA

2019 ADB projects mapped to the SDGs

**SECTOR-BASED GOALS**
- Industry, Innovation and Infrastructure: 29%
- Sustainable Cities and Communities: 18%
- Affordable and Clean Energy: 17%
- Other Goals 2, 4, 14, 15, 16, 17: 27%

**CROSS-CUTTING THEMATIC GOALS**
- No Poverty: 35%
- Gender Equality: 51%
- Reduced Inequalities: 35%
- Climate Action: 62%
- Clean Water and Sanitation: 15%
- Good Health and Well-being: 12%
- Responsible Consumption and Production: 15%
Wrap-Up / Final Questions

- **To the speakers:** When we meet again in two years, and talk about the impact of the COVID19 crisis on multi-level governance, what would be the main lesson?

- **To the audience:** The strengthening of subnational governments is gaining importance in the context of the COVID19 crisis. (Agree / Disagree / Don’t Know)
Thank you for your attention!
For more information, please contact:

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