



19-20 May 2025 | OECD Ministerial Meeting

Strengthening Regional Policy for Resilient Places

Chair's Statement

Chair's statement: Meeting of the Regional Development Policy Committee (RDPC) at Ministerial level, 19-20 May 2025, on “Strengthening Regional Policy for Resilient Places”

1. On 19-20 May 2025, Ministers came together in Warsaw for the meeting of the Regional Development Policy Committee (RDPC) at Ministerial level, chaired by Poland, with Japan and Norway as Vice-Chairs, under the broad theme *Strengthening Regional Policy for Resilient Places*. This Chair's Statement reflects the discussions at the Ministerial meeting as well as input from participating countries during the preparation of the meeting.
2. In an increasingly challenging context, marked by heightened geopolitical and policy uncertainty, Ministers recognised that disruptions to trade, more frequent extreme weather events, and mounting fiscal pressures, including from plans to significantly enhance defence spending, are having asymmetric impacts across regions. These regional inequalities have been exacerbated by recent shocks and crises, as well as the green, digital, and demographic transitions, and pose challenges to our economies, societies, and democracies.
3. Ministers recalled the critical role of place-based regional development policy in addressing these challenges and harnessing opportunities, and the vital contribution of regions to national economic performance, inclusive growth, competitiveness, well-being, balanced development, environmental sustainability, and resilience. Ministers also reiterated their commitment to implement effective, place-based regional development policies as embodied in the *OECD Recommendation on Regional Development Policy* [[OECD/LEGAL/0492](#)], and welcomed the preliminary version of the toolkit developed by the OECD to support its implementation.
4. Ministers recalled the statements of the OECD Council condemning the aggression by Russia against Ukraine in the strongest possible terms as a clear violation of international law and a serious threat to the rules-based international order; and the United Nations General Assembly Resolution A/RES/ES-11/1. Russia's war has caused human suffering, disrupted global supply chains and mobility, and diminished economic, energy and food security, which threaten regional development in OECD countries, especially those bordering Russia and Belarus, through significant economic slowdown, disrupted mobility, unattractive investment climate, and hybrid threats executed by Russia and Belarus, all of which threaten security and regional development.
5. Ministers also reaffirmed their commitment to support the people and democratically elected government of Ukraine to further advance the place-based reconstruction and recovery of their country. In the side-event on *Rebuilding Ukraine – Investments in the Future of Communities and Regions*, Ministers noted the importance of strengthening capabilities at all levels of government in Ukraine for regional development policy, and discussed good practices on disaster reconstruction and recovery, while emphasising the key role of the RDPC to support knowledge exchange and peer-learning with Ukraine, as the newest Participant in the Committee.

Strengthening regional policies

6. Ministers stressed that regional development policies should be at the centre of national agendas for competitiveness, to address the slowdown in productivity growth and investment in our countries. Ministers concurred that sectoral, structural, and industrial policies need to be more place-sensitive and tailored to the needs, opportunities, and demographic projections of different regions. The diversity of regions can be leveraged to create economic opportunities, including in the green, digital and demographic transitions, such as public service innovation, and green innovation or renewables in rural areas.
7. Ministers noted the importance of pursuing policies that support competitiveness, economic and social cohesion, research and innovation capacity, high-quality jobs, skill development, resilience, and sustainability in a mutually reinforcing way. As two sides of the same coin, pursuing both competitiveness and cohesion can help narrow gaps between people and places, mobilise all growth engines, and improve well-being for all.

Boosting regional competitiveness and attractiveness

8. Ministers reiterated that boosting regional competitiveness and attractiveness requires supporting regions to seize new opportunities arising from shifting global value chains and new industrial policies, and ensuring the benefits are shared across all people and stakeholders, including vulnerable groups and Indigenous peoples where relevant. This includes stimulating regional business dynamism and innovation, upgrading and adapting skills, and supporting local small and medium-sized enterprises (SMEs), including start-ups and scale-ups, to invest and grow. Ministers highlighted the importance of the OECD undertaking work to deepen the understanding of regional entrepreneurial ecosystems, with a specific focus on rural entrepreneurship and gender equality.
9. A common challenge in almost all OECD countries is meeting the specific needs of declining, stagnating, ageing, and shrinking places, sparsely populated regions, regions in industrial transition, and border regions. Ministers analysed options to adapt and consolidate service provision where necessary, and to train, retain, and attract talent to these regions.
10. Ministers recognised that all regions have potential to benefit from coherent place-based policies. For rural regions, policies can boost their growth potential in manufacturing, ecosystem services, renewable energy, the bioeconomy, and sustainable tourism, and within global value chains, by stimulating entrepreneurship and innovation, and strengthening urban-rural linkages. For cities and their surrounding areas – including intermediary cities – policies can leverage their potential to drive productivity and innovation, and expand access to jobs and services, while addressing challenges such as congestion, urban sprawl, pollution, and inequalities.
11. Ministers considered the various housing challenges being faced by regions, including the crisis of affordability in cities, and noted that renewed efforts need to be made to ensure access to adequate and affordable housing for all, to align housing plans with plans for local services and infrastructure, to improve housing quality and resilience and to accelerate the decarbonisation of buildings. Ministers reiterated the critical role of the OECD in providing targeted, place-based policy solutions that facilitate access to adequate and affordable housing in regions, cities, and rural areas.

Building resilience in regions, urban and rural areas

12. Ministers considered the compounding effects of interlinked global transitions that are transforming regions in different ways, and the need to manage potential trade-offs while tailoring actions and investments to the needs and realities of all region types.

13. Environmental considerations are no longer just an ecological concern, they are central to global economic transformations. But the impacts of these changes can vary significantly within countries as can the capacities of regions to mitigate, adapt and respond. Ministers discussed how to advance a just and inclusive green transition in regions, cities, and rural areas that tackles climate change, pollution, and biodiversity loss, protects water and natural resources, secures green spaces within cities, strengthens adaptation and deploys nature-based solutions. They also explored how to seize new opportunities in the carbon-neutral and circular economy to drive long-term competitiveness and create quality jobs. Ministers emphasised the importance of better aligning regional development policies and environmental policies, notably through the OECD framework on a *Territorial Approach to Climate Action and Resilience* and the new *OECD Climate Monitor for Regions and Cities*.
14. Ministers emphasised the importance of addressing digital divides in infrastructure and skills between regions. Leveraging the digital transition to boost competitiveness requires measures to support the safe and sustainable adoption of digital tools – such as digital twins and artificial intelligence – by local firms, subnational administrations, and public services. It also means ensuring access to affordable technologies for low-income individuals and populations living in remote areas. Ministers reiterated the importance of OECD work to explore and assess the potential territorial impacts of emerging technologies, and new opportunities to deploy these technologies in support of regional development.
15. The economic cost and frequency of disasters such as floods, droughts, cyclones, extreme heat events, bushfires, frosts, earthquakes, and other civil emergencies have grown considerably in recent decades. Ministers emphasised the importance of enhancing measures to prevent, prepare for, respond to, and recover from these disasters in affected places. It requires a holistic approach, from disaster risk reduction and effective recovery, as well as effective multi-level governance to ensure effective strategic planning, resource allocation and implementation of preventive measures. Ministers noted current OECD efforts to leverage its existing longstanding work on place-based disaster responses to underpin a *Global Platform on Regional Resilience* that supports regions affected by disasters and other civil emergencies, including in the planning, prevention, and implementation of recovery efforts.

Enhancing the effectiveness and quality of public investment to drive sustainable regional, urban and rural development, competitiveness and resilience, and the implementation of regional policies

16. Ministers reiterated the key role subnational governments play in public investment, and climate-significant public investment in particular. Through their investments and powers, they can also crowd-in significant private financing, which is more important than ever given tight public finances across the OECD. The need to strengthen subnational administrative, fiscal, and strategic capacity and skills to effectively design, implement, monitor, and evaluate regional policies was also underlined, while prudently managing financial risks.
17. Significant public and private investment will be needed to boost competitiveness, and, in turn, resilience. Ministers noted the importance of mobilising adequate funding and financing sources, including private finance, to deliver future-proof investments in critical low-carbon infrastructure and public services, while strengthening social and inclusive infrastructure projects. Streamlining regulatory and administrative processes was acknowledged as essential to unlock the full potential of regional development strategies and accelerate transformative investments.
18. Ministers emphasised that effective co-ordination across sectors, levels of government, regions, and businesses, and across borders, is a prerequisite for effective investment. They discussed

mechanisms to align and co-ordinate policies at the right scale, including through complementary top-down and bottom-up approaches. They also emphasised the need for cooperation, such as intermunicipal partnerships, focusing on development within functional areas and between urban and rural areas.

19. Ministers recognised that linking investments and regional development policy to institutional, organisational, fiscal, territorial and capacity reforms can ensure long-term financial sustainability and efficiency. It includes enhancing the focus on performance and results and improving the effectiveness of multi-level governance to support subnational financial management and fiscal relations between levels of government. In this context the coordination mechanisms that facilitate dialogue between national administrations and subnational governments along with capacity building at all levels of management are crucial for effective policy-making.
20. Ministers reiterated the importance of the *Recommendation on Effective Public Investment Across Levels of Government* and called to advance its revision to reflect new priorities that have emerged since its adoption ten years ago. It was noted that formalising the *Expert Group on Multi-level Governance and Public Investment* would offer opportunities to strengthen the work of the RDPC on these topics and facilitate further engagement between the RDPC and Ministries responsible for intergovernmental fiscal relations and investment, Development Banks, and International Financial Institutions to strengthen subnational fiscal frameworks.

Conclusions

21. Ministers emphasised the importance of continuing to improve the OECD's unique and granular data and evidence to inform and underpin regional development policies and their links with competitiveness, resilience, and inclusive growth agendas, including by continuing to expand the *OECD Local Data Portal* with new subnational indicators and tools.
22. Looking ahead, Ministers reiterated that:
 - A comprehensive, place-based and forward-looking approach to regional development policies is key to support competitive, inclusive and resilient economies and societies.
 - The OECD should continue to support countries in designing, implementing, monitoring, evaluating, and reforming regional development policy that are both responsive to current challenges and resilient to future shocks. This includes providing targeted guidance to successfully navigate the green, digital and demographic transitions, for instance through *Regional Development Policy Surveys*.
 - Regional development policies are playing a key role in delivering the *2030 Agenda for Sustainable Development* and its *Sustainable Development Goals* (SDGs), as well as the *Paris Agreement*.
 - It is critical to actively engage with subnational governments and local and regional stakeholders, including by bringing together the existing events and initiatives of the RDPC and the *Local Employment and Economic Development* (LEED) Directing Committee into a regular convening: the *OECD Days of Regions and Cities*. In this context, Ministers noted *Reinforcing Local and Regional Resilience: A Call to Action from local leaders and stakeholders*, which was endorsed by the OECD Champion Mayors for Inclusive Growth and a broader group of local leaders and stakeholders and underlines their critical role in our collective efforts to build competitive, inclusive and resilient places.
23. The exchange of experiences and perspectives has highlighted both the common challenges we face, and the innovative solutions being developed across OECD.
24. As chair of this Ministerial Meeting, we conclude that the discussions have demonstrated a strong shared commitment to strengthening regional policy for resilient places and look forward to implementing this shared, strong and ambitious political agenda.



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