

Insight Paper

OECD Regional Development: Implications for Thuringian Cities, Municipalities and Universities

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Introduction

Regional development is increasingly shaped by interconnected challenges such as demographic change, climate adaptation, digital transformation, energy security and economic resilience. Recent OECD Regional Development publications underline the importance of place-based policies, innovation ecosystems and cross-sectoral cooperation in addressing these challenges.

For German regions and municipalities, these findings provide valuable guidance for strengthening competitiveness and resilience. For universities, particularly Universities of Applied Sciences, they highlight opportunities to contribute as regional innovation partners through research, knowledge transfer, skills development and collaborative projects.

This paper summarises key insights from recent OECD publications and outlines their relevance for future European cooperation and funding opportunities.

A. Three Key Lessons from the OECD

1. Strategic Regional Development Matters More Than Individual Projects

Regions need a strategic approach to EU funding rather than a project-by-project approach. In its 2026 work on enhancing regional access to EU initiatives and funds, the [OECD highlights](#) that successful regions align EU opportunities with long-term regional priorities, innovation strategies and inclusive growth. Regions that treat EU programmes as part of a broader development strategy tend to achieve stronger and more sustainable results. The OECD emphasises that successful regions do not pursue isolated projects but develop long-term strategies that integrate innovation, sustainability, skills and economic development objectives. Regions that align investments with clear strategic priorities are better positioned to attract funding, mobilise partnerships and achieve lasting impact.

Implications for universities:

Universities can contribute by providing evidence-based research, supporting regional innovation strategies and participating in long-term transformation processes.

2. Intermediary Cities Are Emerging as Drivers of Regional Innovation

Intermediary cities matter more than ever. The OECD's latest report, "[Unlocking the Potential of Intermediary Cities for Regional Development](#)", argues that medium-sized cities play a critical bridging role between metropolitan centres and rural areas. For Thuringia, cities such as Erfurt, Jena, Weimar, Gera, Ilmenau can act as regional

innovation hubs, connecting research institutions, businesses and surrounding communities. These cities often host universities, research centres, SMEs and public institutions that together form regional innovation ecosystems. *EU funding applications that demonstrate benefits across an entire functional region—not just a single municipality—are likely to be increasingly attractive.*

Implications for universities:

Universities of Applied Sciences located in intermediary cities can strengthen their role as innovation hubs by facilitating collaboration between research, industry, public authorities and civil society.

3. Governance and Collaboration Are Competitive Advantages

Administrative capacity is becoming a decisive competitive advantage. Multi-level governance, stakeholder engagement and cross-border cooperation are increasingly important for regional resilience. [OECD research](#) emphasises that successful regions invest in *specialised EU expertise*, cross-departmental coordination and *partnerships with universities*, businesses and civil society. Strong governance structures help regions identify opportunities early, develop high-quality projects and manage complex funding requirements effectively. The OECD highlights that regions with strong governance structures and effective partnerships are better equipped to address complex societal challenges and access European opportunities.

Implications for universities:

Universities can serve as neutral knowledge partners, bringing together regional actors and contributing expertise to collaborative initiatives.

B. Connecting OECD Findings to EU Funding Opportunities

Many of the priorities identified by the OECD are reflected in current and future European funding programmes.

Horizon Europe OECD themes such as climate resilience, digital transformation, inclusive innovation, energy transition and regional competitiveness align closely with Horizon Europe priorities.

Erasmus+ The OECD's focus on skills, regional capacity building and stakeholder cooperation connects directly to Erasmus+ initiatives supporting higher education cooperation, innovation alliances and lifelong learning.

Interreg Cross-border and interregional cooperation is a recurring OECD recommendation. Interreg programmes offer opportunities to exchange knowledge, test innovative approaches and develop joint solutions to regional challenges.

European Urban Initiative and New European Bauhaus Topics such as sustainable urban development, circular construction, citizen participation and climate resilience increasingly feature in both OECD publications and European initiatives. Universities can contribute expertise, pilot projects and evaluation capacities in these areas.

The message from the OECD is clear: **future regional development will depend less on competing for individual grants and more on building coherent regional ecosystems capable of mobilising European resources strategically.** For

Thuringian cities, municipalities and regions, particularly those facing demographic change, industrial transformation or rural development challenges, EU funding should be viewed not as an isolated financial instrument but as a catalyst for long-term territorial development. As the OECD's recent work demonstrates, regions that combine strategic vision, strong intermediary cities and effective governance will be best positioned to benefit from the next generation of European funding opportunities.

C. Practical Considerations for Project Development

The OECD's recent findings suggest that successful projects increasingly share several characteristics:

- Strong regional partnerships
- Clear societal impact
- Interdisciplinary approaches
- Long-term strategic relevance
- Citizen and stakeholder engagement
- Integration of research and practical implementation

For universities, this means moving beyond isolated research activities and positioning themselves as active partners within regional innovation ecosystems.

The OECD's recent work demonstrates that future regional competitiveness will depend on collaboration, innovation capacity and strategic governance. Universities, municipalities and regional stakeholders each have an important role to play in shaping resilient and sustainable regions.

Initiative from Thuringia

A practical example of this approach was the workshop *Innovative and Resilient Small and Medium-Sized Cities – 6th Edition* organised by the **Thuringian State Chancellery** in Brussels during **10–11 June 2026**. Bringing together representatives from the Cities Northern Netherlands EU Office, Cities Northern Sweden and Thuringian cities, the workshop examined how EU policies & fundings would support cities. Moreover, the event facilitated the exchange of knowledge, presenting project ideas, and sharing good practices on themes such as circular construction, smart and sustainable energy systems, resilient healthcare and innovative solutions for resilient food-producing communities. Participants gained valuable insights into emerging European policy priorities and upcoming funding opportunities. Such initiatives demonstrate how regional actors can build strategic partnerships, strengthen innovation ecosystems and position themselves successfully within the evolving European funding landscape—an approach that closely reflects the OECD's vision for resilient and competitive regions.