

Chairs' Summary

Japan-OECD Policy Forum on Urban Development and Green Growth *Sharing Japan's experience on Transit-Oriented Development and other urban development practices with Asian cities*

Tokyo, 15 October 2014

The Japan-OECD Policy Forum on Urban Development and Green Growth was held in Tokyo on 15 October 2014. Chaired by the Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and the Organisation for Economic Co-operation and Development (OECD), it brought together about 110 participants from ten countries. Representatives from national and local governments, international organisations and other business leaders gathered to discuss policy options for urban green growth in dynamic Asia and especially to share Japan and other OECD countries experiences on urban development and green growth, including Transit-Oriented Development (TOD) with Asian cities. The policy forum was a joint effort between MLIT and OECD and was organised as a commemorative event for the 50th Anniversary of Japan's Accession to the OECD. The event was also part of the Urban Green Growth in Dynamic Asia Knowledge-Sharing Platform, supported by the OECD Knowledge Sharing Alliance.

The dynamic discussions that took place are summarised below.

Identifying opportunities for urban green growth

Policy Dialogues: In his key note speech, Mr Rolf Alter, Director of Public Governance and Territorial Development Directorate, OECD, highlighted the urgency of the problems caused by urbanisation, the relevance of cities in pursuing green growth, the crucial role of national urban policies, and the importance of integrated urban policy framework. Led by Mr José Viegas, Secretary General for the International Transport Forum (ITF), and Mr Kazuo Inaba, Director-General for International Affairs, MLIT, participants discussed how Asian countries and cities could best unleash green growth potential through transport and other policy sectors.

Through presentations from Yangon, Jakarta, Bangkok and Iskandar Malaysia and Haiphong on their cities' challenges and policies in addressing green growth, the participants shared their experiences and knowledge and discussed policy options on how

to best use opportunity areas to strengthen urban green growth.

Japan's knowledge and techniques on urban development

Japanese firms, including developers, design firms and construction companies, gave presentations about their urban development knowledge and techniques. The participants acknowledged that the rapid urbanisation and economic growth Japanese cities have previously experienced are common in other Asian cities. A number of development techniques and practices in Japan that can be utilised in other Asian cities were highlighted.

- **Transit Oriented Development (TOD):** By locating offices and residences within walking distance of transit stations, TOD promotes transit ridership and reduces CO2 gas emissions and energy consumption. Another feature of TOD in Japan is the concentration of city services around stations, which creates a barrier-free environment for the elderly, handicapped and children.
- **Land Value Capture (LVC) methods:** Urban redevelopment and land readjustment have been widely used to increase the intensity of existing land use in Japanese cities. LVC methods involve spatial rearrangement of property right, where property holders contribute a portion of their right and sell off to fund the project, requiring less government funding.
- **Sustainable and smart cities:** Various technologies and community design principles have been applied in existing Central Business Districts (CBDs) and new suburban developments to increase energy efficiency, reduce ecological footprint and enhance the well-being of residents. Legal and financial incentives are behind such development.
- **Low-emission building:** A multitude of environmental technologies for building construction have been developed and applied to reduce carbon emission and energy consumption, along with policy guidelines to promote such efforts.

Implementing urban green growth in Asian cities: Dr Tetsuo Kidokoro, Associate Professor at the University of Tokyo, led the discussion on how Asian cities can tackle obstacles in order to implement green growth in a more effective and efficient way. Invaluable lessons from the different policy approaches were presented by Vietnam,

Malaysia, Myanmar and Thailand, as well as by international experts.

- **Financing:** The participants discussed financing methods of green growth projects and recognised the importance of diversifying revenue base. Tokyo cases were highlighted for their innovative funding of public transport projects through Land Value Capture (LVC) methods and Public Private Partnership (PPP).
- **Legal and regulatory frameworks:** The participants shared the view that lack of legal and regulatory frameworks are often an obstacle for effective implementation. While short-term solutions based on existing local conditions are necessary, long-term institutional reforms are also crucial for sustainable urban development. In particular, transparent legal frameworks and enforcement mechanisms, such as those for land acquisition and compensation, are the basis for the engagement of the private sector. At the same time, the roles between the private and public sectors should be clearly defined and formalised.
- **Organisational capacity:** There is strong evidence that building capacity at the community, local and national government levels is necessary. It was highlighted that sharing these experiences, especially on financing methods, legal frameworks and partnership with the private sector, will aid Asian cities in creating their own effective policies.
- **Policy coherence:** Although Asian cities have various styles of government, in order to plan and implement sustainable green growth programmes, nationwide policy coherence across provincial and jurisdictional boundaries will be necessary.

Collaborative Actions

Knowledge sharing: Mr Rolf Alter led the participants in a discussion of concrete collaborative actions with international organisations on urban development and green growth in Asia.

Enhancing collaborative actions to promote green growth in Asian cities through personnel exchange and knowledge sharing continues to be crucial in green growth development. OECD highlighted that its Knowledge Sharing Alliance is an important tool to create trust and facilitate effective collaboration among OECD and non-OECD countries, international

aid agencies and other stakeholders, and enhance implementation of green growth actions. It was also proposed that Tokyo Development Learning Centre (TDLC), a partnership project between the World Bank and Japan, can help alleviate poverty in the Asia Pacific region and increase the accessibility of knowledge-sharing opportunities.

Recommended Action

It was clear through the duration of the policy forum that strengthening stakeholder partnerships and knowledge sharing are essential aspects of the urban green growth development process. It was agreed that the following actions will be beneficial.

1. In the light of the 50th Anniversary of Japan's accession to the OECD, Japan and the OECD will collaborate and further develop their joint effort to foster sustainable urban development in Asia. This will include participation in OECD's Territorial Development Policy Committee and promotion of multi-stakeholder collaboration involving local governments, private firms and international organisations.
2. The OECD will support Asian countries and cities, through Territorial Reviews at the city and metropolitan levels, national-level urban policy reviews, high-level policy dialogues and knowledge sharing. The OECD invites the participating Asian cities and countries to the sixth OECD Roundtable of Mayors and Ministers, which will take place on 15-16 October 2015, in Mexico City.
3. MLIT will continue to share Japan's urban development knowledge with Asian governments, in co-operation with OECD and other international organisations. To achieve this, MLIT will improve urban development information sharing by using Information and Communication Technology (ICT) to conduct knowledge-sharing events in co-operation with TDLC. It will also organise city tours to showcase Japanese urban development and infrastructure for ambassadors in Tokyo.
4. Local and national governments across Asia will further co-operate with international organisations, Japan and other OECD countries, and enhance the environment in which the skilled private sector, including foreign and domestic private operators and foreign investors, can participate in urban development.
5. Other international organisations will continue to support urban development, especially urban green growth actions of Asian countries and cities through knowledge sharing,

innovative financing and capacity building.

6. The participants agreed to continue supporting OECD's Knowledge Sharing Platform on Urban Green Growth in Dynamic Asia that will be held over the course of the next year. The OECD and the Iskandar Regional Development Authority (IRDA) jointly invites the participants to the next workshop of the Urban Green Growth in Dynamic Asia Knowledge Sharing Platform, which will take place in Johor Bahru, Malaysia, on 5-6 November 2014.