

## Japan-OECD Policy Forum Urban Development and Green Growth

Sharing Japan's experience on Transit-Oriented Development and other urban development practices with Asian cities

Date: 15 October 2014 (Wednesday), 10:00-17:30

Location: Keio Plaza Hotel, Tokyo, Japan

Organizers: Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT), OECD

Participants:

- MLIT: Issei Kitagawa, State Minister of Land, Infrastructure, Transport and Tourism, Motoi Sasaki, Vice-Minister for Infrastructure, Kazuo Inaba, Director-General for International Affairs
- ASEAN: Phan Thi My Linh, Vice Minister of Construction, Vietnam, Hla Myint, Chairman of Yangon City Development Committee, and other national and local government representatives from Indonesia, Malaysia, Myanmar, the Philippines, Thailand, and Vietnam
- OECD: Rolf Alter, Director, Public Governance and Territorial Development, José Viegas, Secretary-General, International Transport Forum (ITF), Knowledge Sharing Alliance
- Private Sector: Japanese Developers, Design Firms and Construction Companies, UR
- International Organizations: JICA, the World Bank, UN-HABITAT, UNCRD

### **Opening Remarks**

Mr. Motoi Sasaki, Vice-Minister for Infrastructure, opened the event on behalf of the forum's organizers. Mr. Sasaki spoke about commemorating the 50 year anniversary of Japan's accession to the OECD, sharing the OECD's knowledge and experiences with ASEAN friends, introduced examples of Japan's urban development practices and gave an explanation of the overall structure and aim of the high-level policy roundtable.

Next, representing the participants from ASEAN countries, HE Madam Phan Thi My Linh, Vice Minister of Construction of the Socialist Republic of Vietnam made some opening remarks, beginning with a few words of condolence to those affected by the eruption of Mount Ontake. Vice Minister Linh stressed the changes in the environment due to urbanization are linked to the increasingly common natural disaster across Southeast Asia and that finding a balance between the push and pull of stakeholders is an important part of urban development. Vice Minister Linh also described the necessity of formulating strategic plans, and how knowledge sharing, such as at this forum, is beneficial for all involved parties.

### **Roundtable Session 1**

#### **Keynote Speech**

Director Rolf Alter of OECD gave a keynote speech titled "The Urban Green Growth Concept and Relevance to Asia" where he highlighted the urgency of the problems caused by urbanization, the relevance of cities in pursuing urban green growth, the crucial role of national urban policies, and the importance of integrated urban policy framework.

### **Policy Dialogue: Identifying Opportunities for Urban Green Growth**

During the first session, speakers from local governments across Asia spoke about identifying opportunities for urban green growth in their respective cities.

First, Yangon Mayor HE Hla Myint gave a presentation on how providing housing for civil servants and low-income earners has been one of the biggest reasons for the city's urbanization; however the newly developed region still faces economic growth challenges such as low population density, urban transportation and energy efficiency.

Next, Ms. Aisa Tobing, Senior Adviser for Environmental and Urban Management, Jakarta Research Council, Jakarta Provincial Government, Indonesia, presented on the flooding, waste management and traffic congestion problems Jakarta faces and highlighted short and medium term adaptation strategies and integration plans being put into effect.

Ms. Siriporn Tantivanich Director of Air Quality and Noise Management Division, Department of Environment, Bangkok Metropolitan Administration, Thailand, gave a presentation on the key challenges for urban green growth in Bangkok, such as rapid urbanization, public awareness, flooding and economic growth, as well as the opportunity areas, including the Thailand Green Growth Policy and 20-year Efficiency Development Plan, and the Bangkok Land Use Comprehensive Plan of 2013.

Mr. Nor Hisham Hussein, Head of Social Development for the Iskandar Regional Development Authority, Malaysia, gave a presentation on the Iskandar region's twelve actions to create a low carbon society, pedestrian walkway and bicycle lane implementation, renewable energy efforts and other on-going projects.

Finally, Ms. Hoang Thi Lien, Vice Manager, External Economics Division, Department of Planning and Investment of Haiphong City, Vietnam, gave a presentation on Haiphong's green port city efforts, discussed how insufficient infrastructure, climate change and pollution can be a challenge to city growth, and noted the importance of cooperation with international organizations, such as OECD and JICA.

During the discussion, co-moderator Mr. Kazuo Inaba of MLIT noted that all large cities have common issues, regardless of location, including flooding in Bangkok, the housing supply in Yangon, and new development potential in Iskandar. Some common issues cited were lack of public transportation, CO2 emission, roads, highways and road transportation safety, and the provision of public green areas as part of future development.

Mr. Inaba also noted that effective solutions can be learned from each presentation, including raising public awareness (Bangkok, Thailand) and not only investing in, but implementing scientific technology (Haiphong, Vietnam).

Co-moderator Mr. Jose Viegas of ITF pointed out that while each city is unique in terms of geography, economic

power, national government and level of consolidation, all presentations raised similar problems. However, none of the presentations addressed traffic accidents, a serious safety issue. Mr. Viegas noted that roads in Southeast Asia are very unsafe, and while none of the issues presented are easy to solve, if transportation problems are not addressed, green problems, a critical issue for each city, cannot be solved.

In addition, each city should aim for the following:

1. A compact city (functionally diverse that is accessible by foot or bike)
2. Providing access (not mobility)
3. A more green, less mobile society

Mr. Viegas also stated that cities should not exclusively share successful projects because there is much to be learned from failed experiences, and internal dialogues with stakeholders, public acceptance and social inclusion are necessary to create better cities.

Ms. Chikako Takase, Director, UNCRD, asked the participants about what sort of mechanisms have been developed for horizontal consistency (i.e. Organization), and if there are any examples of how each city approaches project financing. Due to time constraints, the moderators decided that the discussion would continue into the next session.

## **Roundtable Session 2**

### **Japan's Urban Development: A Variety of Practices**

During the first half of session two, the Japanese government and private sector representatives presented on the variety of urban development practices used in Japan.

First, Mr. Kamiyama, Director, General Affairs Division, City Bureau, MLIT, gave a presentation on J-CODE (Japan Conference on Overseas Development of Eco-Cities), TOD (Transit-Oriented Development) and how Japan's experiences can benefit other Asian cities going through rapid urbanization.

Next, Mr. Wataru Tanaka, Principal Planner, Urban Design and Planning Section, Nikken Sekkei Ltd., introduced examples of integrated town and station redevelopment, Japanese TOD planning and design principles, and discussed the implications of applying Japanese TOD in global cities.

Mr. Daisuke Nagao, Deputy General Manager, Planning and Development Unit II, Urban Planning and Development Division, Mori Building Co., Ltd. gave a presentation on the importance of large-scale multi-purpose redevelopment and introduced the newly completed Toranomom Hills, a multi-use, joint development public infrastructure project.

Next, Mr. Tatsuo Nishimoto, Deputy General Manager, Urban Coordination Office, Urban Development and

Promotion Department, Mitsubishi Estate Co., Ltd., gave a presentation on utilizing Public-Private Partnerships to develop Marunouchi, a sustainable central business district, and the 3-I's for urban design (Industry, Interaction and Infrastructure).

Mr. Motoyasu Kato, General Manager, Kashiwa-no-ha Urban Planning and Development Department, Mitsui Fudosan Co., Ltd., gave a presentation on the strategies used in developing Kashiwa-no-ha, a smart city model that focuses on integrating environmental symbiosis, health and longevity, and new industry creation in the suburbs.

Next, Mr. Kazuyoshi Nasuhara, Director, ecoBCP Business Promotion Division, Shimizu Corporation, gave a presentation on Shimizu's low-carbon emitting headquarters building, and the ecoBCP concept to create resilient smart cities.

Finally, Mr. Takito Niida, Director General for East Japan Urban Renaissance Office, Urban Renaissance Agency, gave a presentation from the point of view of an independent administrative agency on the housing redevelopment of Tamadaira-no-mori in Hino City and the support of reconstruction efforts after the Great East Japan Earthquake.

During the discussion that followed, Ms. Aisa Tobing of the Jakarta Provincial Government, Indonesia commented that Manggarai, Jakarta has high land prices, but is still low density because the nation's income levels cannot afford to pay for land. How does Japan create compact cities in spite of high land prices?

In response, Mr. Wataru Tanaka of Nikken Sekkei stated that increased integrated space is easier to create in Japan compared to other countries as a result of Japan's high level of safety. However, people in China for example, might not understand the TOD concept because they rely on cars, especially in rural areas.

Mr. Stefanos Fotiou of UNEP asked the presenters how much saving has been made in terms of energy, emissions and general consumption for each project in terms of green development. What is the magnitude of these savings? Is there any long term vision for zero-emission community?

Mr. Tatsuo Nishimoto of Mitsubishi Estate responded that one of the key differences between Marunouchi and other districts is that Marunouchi always has a master plan. The district may change approximately every 25 years as a result of new development, but a master plan has been prepared prior to this development. District cooling and heating systems have been provided and are based on the district master plan. A key item for successful area-wide development is for the PPP to share vision with the local government.

Lisbon Deputy Mayor Mr. Joao Carlos da Silva Afonso asked if TOD projects include development of public and private land, including development of public spaces. Following completion of TOD projects in Japan, how are these public spaces managed? Are they managed by private entities or the local government?

In response, Mr. Tatsuo Nishimoto of Mitsubishi Estate said that generally, public spaces are open spaces. Mitsubishi Estate normally negotiates with the local government to make public spaces active and enjoyable for the community. These projects have been successful because of detailed negotiations with the government. In some instances, it may be or may not be possible to utilize public space such as roads; however, each project is unique. It is important that each organization share the same goals, including attractiveness of outcomes for the local government to maximize TOD possibilities.

### **Public Private Roundtable: Implementing Urban Green Growth and TOD in Asian Cities**

The second half of session two was moderated by Dr. Tetsuo Kidokoro, Associate Professor at the University of Tokyo. Government Officials of Asian cities talked about implementing Urban Green Growth and TOD in Asian cities.

First, Mr. Hideo Nakamura, Director for City Planning Survey and Information Office, City Planning Division, City Bureau, MLIT, gave a presentation on the urban master plan, and the key factors of urban development in Japan.

Next, Mr. Hiroaki Suzuki, former urban specialist at the World Bank, gave a presentation titled “Financing Transit-Oriented Development with Land Values” where he discussed Japan’s urban redevelopment, land readjustment cases and reducing public funds required to redevelop land using Land Value Capture methods and TOD.

Mr. Tran Quoc Thai, Deputy General Director, Urban Development Agency, Ministry of Construction, Vietnam , gave a presentation on his country's urban development scenarios and national green growth strategies and actions that have been established, including the Vietnam Urban Forum.

Next, Mr. Zainuddin Ahamad, Deputy Director-General (Development), Federal Department of Town and Country Planning, Ministry of Wellbeing, Housing and Local Government, Malaysia, gave a presentation on the TOD plans for the country, including current policies such as the 10th Malaysia Plan, the National Physical Plan, and the National Urbanization Policy and highlighted the Kuala Lumpur Sentral station development.

Ms. Mie Mie Tin, Director, Project Planning and Implementation Division, Department of Human Settlement and Housing Development, Ministry of Construction, Myanmar, presented on her country’s rapid economic growth and infrastructure deficit problems, the Yangon and Mandalay city development concept, the integration of the urban network system and land development concepts, including the improvement of planning and organization of urban development strategies.

Next, Ms. Sansanee Srisukri, Expert on City Planning Analysis, Department of Public Works and Town and Country

Planning, Ministry of Interior, Thailand, gave a presentation on the unique region of Bang Kachao and how the policies put in place by the government, and community cooperation has helped keep the area green.

Finally, Mr. Toshiyuki Iwama, Executive Technical Advisor, Infrastructure and Peacebuilding Department, JICA, gave a presentation on efforts to alleviate urban traffic problems in Hanoi, the capital city of Vietnam, by using TOD as a base of urban development.

During the discussion that followed, Dr. Kidokoro reaffirmed Mr. Iwama's point that organizing legal systems related to land ownership and handling is an important part of promoting development.

Mr. Mori of MLIT asked if ASEAN countries have legal frameworks in place for land acquisition with regard to TOD projects. Ms. Srisukri of Thailand, Ms. Lien of Haiphong, Vietnam, Mr. Nakamura of MLIT, Ms. Tobing of Jakarta, Indonesia and Mr. Suzuki responded.

Ms. Sansanee Srisukri of Thailand responded that land acquisition laws do not exist in Thailand, however, zoning laws do exist and the country is currently undertaking agricultural reform of the relevant development guidelines and laws for urban development. The existing legislation limits development as the act is directly related to infrastructure, such as airports, and not commercial activities.

Ms. Hoang Thi Lien of Haiphong, Vietnam, explained that a land value system is utilized, and recently the Vietnamese government approved new land laws that allow the government to expropriate land in certain circumstances, such as security related requirements. However, there is currently no mechanism for land re-adjustment, which makes it difficult for large project area development, such as TOD projects, to begin and so partnerships between the government and investors are important.

In response, Mr. Hideo Nakamura of MLIT stated that in Japan, land re-adjustment can be used for public facilities and the government can utilize land re-adjustment for the creation of public space. However, interfaces are complex and considerations should be undertaken on a project case by case basis, especially when multiple stakeholders are involved.

Ms. Aisa Tobing of the Jakarta Provincial Government, Indonesia, stated that land in Indonesia is owned by the private sector or illegally owned by citizens, which can make management difficult. The financial model for TOD projects is important because there is a mixture of roads and public facilities as well as private land.

Mr. Hiroaki Suzuki, Former Lead Urban Specialist of the World Bank, stated if a piece of land is owned by many land owners, development negotiations can be extremely difficult. The key challenge is to identify sites with limited stakeholders, and create and share value with the public and private sector. It is important that the land owners are involved in the process, and Mr. Suzuki said he hopes this scheme, with assistance from JICA, will be

developed further.

A member of the audience asked the participants if they had a clear vision or target lifestyle for people who are living or are planning to live in TOD project areas.

Ms. Sanasee Srisukri of Thailand responded that all projects in Thailand are usually run by the private sector. Dealing with restrictions and land acquisition is very difficult and local governments offer incentives, such as increased floor ratio, if they undertake beneficial works for the public.

### **Roundtable Session 3**

#### **50th Anniversary Session: Collaborative Actions for Sustainable Urban Development in Asia**

The third session, a commemorative session for the 50<sup>th</sup> anniversary of Japan's accession to the OECD, focused on ways of cooperating towards sustainable development in Asian cities, and particularly on the role of international organizations.

First, Ms. Martina Kampmann, Counsellor, Knowledge Sharing Alliance, OECD, gave a presentation titled "Knowledge Sharing and Mutual Learning," where she stressed that many urban problems are universal, and that promoting development strategies and implementation capacity through cross-border collaboration is important. Ms. Kampmann highlighted that Knowledge Sharing Alliance's programs, platforms and approaches are effective tools in promoting cross-border collaboration.

Next, Mr. Tomoyuki Naito, Manager, Tokyo Development Learning Center, World Bank, gave a presentation on programs that use information communication technology (ICT) to promote knowledge sharing.

Finally, Mr. Yoshinobu Fukasawa, Regional Director for Asia and the Pacific, UN-Habitat, gave a presentation titled "Collaboration of Asia-Pacific Cities toward Habitat III" where he spoke about the Habitat III conference that will focus on spatial planning, participatory and inclusive governance, financing and urban economy.

During the discussion that followed, Mr. Timo Cantell of Helsinki Urban Facts, Finland, noted that open data and open governance for businesses should be implemented for smart cities. Mr. Cantell explained that transparency is important and allows further opportunities and updates to data, and introduced the website Helsinki Region Infoshare ([www.hri.fi](http://www.hri.fi)) which currently has approximately 1200 data sets available online.

Next, Mr. Salin Geevarghese, Deputy Assistant Secretary for International and Philanthropic Innovation, U.S. Department of Housing and Urban Development, USA, stated that it is important to focus not only on economics, but on mobility, cultural segregation, policy, and service delivery as well. The United States could learn from the recent natural disasters in Japan, not only in terms of immediate relief but also long term reconstruction planning,

and encouraged collaboration with between federal agencies. Finally, Mr. Geevarghese stated that we share a common mission and focus on common results, but we are still learning and hopes that we can continue to share our knowledge.

Mr. Naito stated that ICT is already a part of social infrastructure and, compared to traditional methods, is in an inexpensive and effective method to share knowledge in real time across borders and increase the speed of development. Mr. Naito also noted how it is simple for experts around the world to participate in community and virtual space through ICT, and that efforts must be made to make it more effective.\*\*\*

Finally, Mr. Yoshinobu Fukasawa of UN-Habitat stated that Southeast Asia is rapidly urbanizing, but the number of countries that have begun to experience de-urbanization, like Japan, has also been increasing. Urbanization issues need to be addressed while acknowledging that de-urbanization may eventually occur. Mr. Fukasawa also stated that he hopes topics can be further discussed during the Third UN Conference on Human Settlements in 2016.

### **Wrap-Up Session: Tokyo Forum Chairs' Summary: Future Development**

The final session of the forum wrapped up the discussions held throughout the day and MLIT and OECD presented the Chairs' Summary.

First, based on the presentations and discussions of during session 1, the Chairs' Summary reported on policy dialogue discussion on how to best use opportunity areas to strengthen urban green growth.

Next, based on the presentations and discussion during session 2, the summary reported on how Japan's knowledge and urban development techniques, such as TOD, Land Value Capture, sustainable smart cities, and low-carbon building can be effectively implemented in Asian countries. The summary also stated that in order to promote green growth in Asian cities, financing, legal and regulatory frameworks, organizational capacity, and policy coherence are important aspects of green growth promotion.

The summary then reported on using knowledge sharing and to promote collaborative actions.

Finally, the Chair's summary presented recommended future action for participants. In particular, Japan and the OECD will further develop their joint effort to foster sustainable urban development in Asia, with OECD supporting Asian countries and cities through Territorial Reviews, and Japan continuing to share its urban development knowledge with Asian governments.

### **Closing Remarks**

State Minister of Land, Infrastructure, Transport and Tourism Mr. Issei Kitagawa closed the event on behalf of the forum's organizers by thanking the ASEAN countries, OECD and other international organizations, the Japanese enterprises and all of the participants for actively contributing to the forum. State Minister Kitagawa expressed his



wish to use what was learned at the forum to continue to develop the collaborative relationship between Asian countries and Japan.