G7 Sustainable Urban Development Ministers' Communiqué

– Achieving Sustainable Urban Development Together –

9 July 2023 in Takamatsu, Kagawa

I. Preamble

1. Objectives of the G7 Sustainable Urban Development Ministers' Meeting:

We, the G7 Sustainable Urban Development Ministers, held a meeting in Kagawa, Takamatsu, on 7-9 July 2023. It was the second meeting of the G7 urban track, after it was first established in 2022 under Germany's G7 presidency. The Organisation for Economic Co-operation and Development (OECD), the United Nations Human Settlements Programme (UN-Habitat) and the Urban 7 (U7) participated in this meeting as observer organisations. Building on the principles and recommendations stipulated in the 2022 Communiqué at the G7 Sustainable Urban Development Ministers' Meeting in Potsdam, Germany, each G7 member has been implementing policies and continuing to cooperate on achieving sustainable urban development. Japan's G7 Presidency has built on the initial work set out in Potsdam, focusing on the principle of "good multi-level and multi-stakeholder cooperation and the participation, at a local level, of all concerned citizens" in sustainable urban development. Therefore, during this year's Ministers' Meeting, we discussed and exchanged views on common challenges and policy actions under the theme of "Achieving Sustainable Urban Development Together". We focused on three topics: net-zero greenhouse gas emission and resilient cities; inclusive cities; and digitalisation in cities (both strengthening connectivity and accelerating the use of data and technologies).

2. The context of the G7:

The G7 Hiroshima Summit re-affirmed the transformative power of cities worldwide as drivers of sustainable development, tasking us to develop principles on net-zero, resilient and inclusive cities, and digitalisation in cities, and to accelerate the use of data and technologies for cities. We acknowledge and welcome discussions in other G7 Ministers' tracks, including the G7 Climate, Energy and Environment Ministers' Meeting, the G7 Foreign Ministers' Meeting, the G7 Digital and Tech Ministers' Meeting, the G7 Transport Ministers' Meeting, and the G7 Ministerial Meeting on Gender Equality and Women's Empowerment, and we commit to aligning with and building on the outcomes of those meetings.

3. Relevant international frameworks, agreements and declarations:

We recognise the broad range of existing international frameworks, agreements and declarations related to sustainable urban development, including the:
- 2030 Agenda for Sustainable Development (2015), in particular, Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable;
- Paris Agreement (2015);
- Sendai Framework for Disaster Risk Reduction (2015);
- UN New Urban Agenda (Habitat III, 2016);
- Kunming-Montreal Global Biodiversity Framework (2022);

- Promoting the Social and Solidarity Economy for Sustainable Development (2023);
- OECD Principles on Urban Policy (2019); and
- Urban 7's declarations (2022, 2023).

4. Shared values:

Against the backdrop of current global crises, including the COVID-19 pandemic, climate change and Russia's illegal, unjustifiable, and unprovoked war of aggression against Ukraine, we reaffirm the shared values of the rule of law, democracy and universal human rights, as well as the respect for international law. We believe that with urban development policy we can help address global challenges more effectively through mutual collaboration and coordinated multilateral cooperation, leveraging different levels of government and engaging a wide range of stakeholders.

5. Ukraine:

As was reaffirmed in the G7 Hiroshima Leaders' Communiqué, we once again condemn in the strongest possible terms the war of aggression by Russia against Ukraine, which constitutes a serious violation of international law, including the UN Charter. Russia's brutal war of aggression represents a threat to the whole world in breach of fundamental norms, rules and principles of the international community. We affirm our unwavering support for Ukraine for as long as it takes to bring a comprehensive, just and lasting peace. We affirm our intention to coordinate with Ukraine, partner countries and relevant international organisations on the repair of Ukraine's critical infrastructure, recovery and reconstruction. We acknowledge the need for cooperation with all Ukrainian national and sub-national governments including cities in charge of integrated urban development as part of recovery and reconstruction. We underscore that this cooperation would be more effective starting at the planning and preparation stages so that the G7's knowledge and experiences of integrated urban development can be effectively reflected. We are committed to addressing Ukraine's recovery needs in a democratically led process. We also welcome the Ukraine Recovery Conference, which was held in London on 21 June. This Conference demonstrated a strong showing of solidarity, uniting governments and international finance institutions with the shared ambition of helping meet Ukraine's recovery and reconstruction needs, as well as highlighting the commitment from the global business sector to help realise Ukraine's huge potential. We will support the Government of Ukraine's effort and determination to build back a more modern, innovative and green economy.

6. The role of cities in addressing global challenges:

Forty-eight percent of the global population lives in cities. This is estimated to increase to 55% by 2050 (OECD/European Commission 2020) and, despite the recognised benefits of population agglomeration, cities today face a diverse and complex set of challenges. The issues presented by the triple planetary crisis of climate change, biodiversity loss and pollution are mutually reinforcing and intrinsically linked, while the ongoing global energy crisis has been exacerbated by Russia's war of aggression against Ukraine. Meanwhile, demographic change and socio-economic disparities,

both within cities and between cities, pose a challenge for inclusivity. However, we also recognise that cities play an important role, individually and as part of an effective network, in providing innovative, integrated and advanced solutions for these challenges that can enable a just and green transition on the journey to net-zero patterns of production and consumption. We highlight that, in order for cities to play their part in this transition, there is a need to properly allocate financial, human and intellectual resources and to benefit from investment from both the public and private sectors.

7. People in vulnerable situations, marginalised groups and disadvantaged neighbourhoods:

We recognise the wide range of diverse and intersecting attributes that impact on the experiences and needs of individuals. We underscore the centrality of a socio-spatial approach to promoting inclusivity, always considering people in vulnerable situations, marginalised groups and disadvantaged neighbourhoods, including older persons, children, women, persons with disabilities, low-income families, minorities, LGBTQIA+ communities, and Indigenous Peoples. This is so they are not disproportionately impacted and burdened by the journey to, for example, net-zero and the impacts of climate change, biodiversity loss and pollution, but instead benefit from a just and green transition and sustainable urban development. Equity for these groups is at the heart of our efforts to foster inclusive cities for all. We encourage the participation of local communities and civil society and their respective organisations, as highlighted in the New Urban Agenda and the New UN Resolution on Social and Solidarity Economy (2023).

8. Gender equality:

As stated in the G7 Hiroshima Leaders' Communiqué, we reiterate the need to overcome the fragmentation and marginalisation of gender equality issues by enhancing our efforts to integrate and deepening gender mainstreaming for a substantial transformation of our societies. Gender equality is fundamental to human rights and a necessary foundation for a peaceful, prosperous, and sustainable world; this was underscored in the Joint Statement of the 2023 G7 Ministerial Meeting on Gender Equality and Women's Empowerment. We recognise that gender equality and the human rights and dignity of girls and women in all their diversity, should be a central pillar of urban policy. As Sustainable Urban Development Ministers, and in order to enhance gender equality, we recognise that the provision and location of urban infrastructure, facilities and amenities should consider the needs and interests of women and girls. This is to improve women and girls' safety and vulnerability to crime, facilitate women's full and effective participation in society, promote equal opportunities for leadership, and enhance women and girls' access to digital technologies. Policy should take into account a wide range of viewpoints whilst adequately responding to the interconnected needs and aspirations of women, men and gender diverse people.

9. Role of national governments:

We, the Sustainable Urban Development Ministers, will play a leading role to drive forward and

encourage policies and initiatives to address challenges in urban development. We will continue supporting, encouraging and welcoming efforts by sub-national governments, civil society, the private sector, academia and Indigenous Peoples, providing long-term visions, strategies, guidance and financial resources. We will also promote innovative solutions and knowledge sharing, facilitate exchange between cities and other relevant actors, and engage in international cooperation in pursuit of sustainable urban development. We recognise that national governments should enhance collaboration between the public and private sectors, local business and industry, civil society and academia, and act as a catalyst for progress on initiatives and solutions to support urban sustainability goals.

10. Role of spatial planning:

In times of climate change, when there is an increasing necessity for urban climate adaptation, and to ensure the sustainability of cities and the well-being of citizens, we commit to mobilising spatial planning, which provides guidance for governments, civil society and the private sector on how land is to be used, spaces and buildings created or transformed, and infrastructure delivered. We recognise that all levels of government need to integrate spatial planning with other strategies and policies. Through this integrated approach, spatial planning can help meet the challenges imposed by climate change, both today and in the future, address how to deliver new homes, jobs, and social, energy and transport infrastructure, while also protecting and enhancing the natural and historic fabric of our cities, villages and rural areas. Our efforts to mobilise spatial planning need to be agile to reflect changing circumstances. In this context, the incorporation of digital technologies and data in the spatial planning process can support analysis of the current situation and help identify potential solutions for sustainable urban development challenges, as well as a means to facilitate public engagement.

11. International Cooperation:

At the G7 Hiroshima Summit, our leaders tasked us to consider the development of principles on carbon neutral, resilient and inclusive cities and on the digitalisation in cities, and to accelerate the use of data and technologies for cities. Our leaders stated that this work will support exchanges with our global partners, whose cities face some of the most significant challenges relating to climate change. They also reaffirmed the G7's commitment to continue our cooperation on sustainable urban development, hence our own administrations and ministries will further support this endeavor according to national circumstances. We recognise that the G7 is well placed to discuss, motivate and support progress in the emerging and developing economies where urbanisation is taking place more quickly. Such places are facing extensive urban challenges, some of which reflect those of the G7, such as the need for climate adaptation, while others are vastly different, for example rapid informal urbanisation. There are opportunities to exchange know-how and peer-to-peer learning with cities in emerging and developing economies, in particular, with intermediary (small and medium-sized) cities that connect rural and metropolitan areas, and on

topics such as developing quality infrastructure, inclusive cities and digitalisation. Our ultimate aim is to foster global partnerships on sustainable urban development policies whilst respecting national circumstances and local conditions.

12. Engagement and outreach:

We endorse the discussion format of the Senior Urban Development Officials (SUDO), a preparatory body for the Ministers' Meeting including high-level officials from respective governments' ministries and departments, as well as observer organisations, namely, the OECD, UN-Habitat and U7. We have benefitted greatly from engagement with non-G7 groups, integrating their opinions and views where possible. We welcome the discussion and outcomes from: the G7 Official Public-Private Event titled "High-Level Round Table for the G7 Sustainable Urban Development Ministers" Meeting' hosted by the Ministry of Land, Infrastructure, Transport and Tourism, Japan, and the World Economic Forum (28 March 2023 in Tokyo); the Symposium for Achieving Sustainable Development in Cities (21 May 2023 in Takamatsu, Kagawa); the Student Summit for Achieving Sustainable Development in Cities (3 June 2023 in Takamatsu, Kagawa) and the 2023 U7 Mayors Declaration. We also highlight our intervention at the OECD Working Party on Urban Policy (24 April 2023 in Paris), the Second Session of the United Nations Habitat Assembly (5-9 June in Nairobi, Kenya), as well as communication between the G7 SUDO and the OECD Development Centre (26 May 2023, online).

Cities and buildings' contribution to net-zero and climate resilience

13. The impact of climate change on cities and their role:

As the recent IPCC report highlights, climate change has increased the frequency and intensity of natural hazards. Cities, in particular those located in disaster-prone areas, are often vulnerable and tend to endure significant adverse impacts on human health, livelihoods and key infrastructure. This can result in economic loss and the disruption of service delivery (such as to the supply of water, energy and transport systems), the impact of which extends beyond those cities directly affected. Too often when realised, these hazards exacerbate underlying vulnerabilities and can drive migration to other cities and countries. Given that cities account for 70% of energy-related CO_2 emissions and two-thirds of energy demand (IEA, 2016), Sustainable Urban Development ministers play an important role in addressing the global challenge of climate change, and supporting and encouraging cities to achieve their net-zero goals, withstand the impacts of climate change and build resilience. Equally, when such events do occur, support mechanisms for people, particularly those in vulnerable situations, marginalised groups and disadvantaged neighbourhoods, is indispensable so as not to produce further inequality, such as in the form of "climate gentrification". We welcome the 2023 G7 Climate, Energy and Environment Ministers' Communiqué, which highlighted the vital role of sub-national governments in advancing action on climate and energy, and the Paris Agreement which recognised the importance of engagement at all levels of government, as well as with a range of non-government actors. We acknowledge that enhancing resource efficiency and circularity is important for addressing climate change, biodiversity loss, pollution and other environmental challenges.

14. Green and blue space and infrastructure in cities:

Green and blue space and infrastructure are important components of a sustainable city and its surrounding areas. In this context, green space and infrastructure includes gardens and parks, urban woodland and the greening of built-up areas (e.g., tree planting, green walls and roofs, and urban agricultural land); whereas, blue space and infrastructure pertains to water, including wetlands, rivers, marinas, coastlines, lakes, and other water bodies. Green and blue space and infrastructure can support the needs of people and nature and has an important role to play in enhancing sustainable urban development by contributing to the health and wellbeing of citizens. It also contributes to achieving net-zero, resilient, circular and nature positive economies, as stated in the 2023 G7 Climate, Energy and Environment Ministers' Communiqué. Green and blue space and infrastructure function as nature-based solutions that can address both the causes and impacts of climate change; for example, these can improve the conservation of biodiversity and protect species at risk, absorb CO_2 emissions, increase resilience to heat, enhance flood management and mitigate

6

the impacts of natural disasters on natural ecosystems and cities. We commit to securing and restoring green and blue space and infrastructure in cities and their surrounding areas through policies, programmes and investments, including on land use and urban transformation as described below. We underscore that place-based approaches are highly encouraged, given the diverse social, environmental and economic local circumstances.

15. Biodiversity in cities:

We also support the biodiversity targets in urban areas stipulated in the Kunming-Montreal Global Biodiversity Framework. Green and blue space in cities is too often at risk of being lost due to urban development that is not biodiversity-inclusive; built areas are expanding faster than the population is growing, and unplanned, uncoordinated urban development around cities is consuming the natural environment and green and blue space. This can work against cities developing "optimal" levels of urban density which aim to support more sustainable patterns of living. Preventing and reducing the water, soil and air (inside and outside buildings) pollution will make cities more resilient and generate benefits for health and improve quality of life.

16. Land use and urban transformation:

We recognise that well-designed land use can contribute to reducing greenhouse gas emissions, advancing climate resilience and protecting biodiversity. Urban transformation should be pursued, where possible, to achieve these positive outcomes. We encourage policies that promote more sustainable development patterns within built-up areas and limit urban sprawl. Meanwhile, we recognise that digital mapping tools offer a way to better understand land use, including, for example, the degree of green and blue space within cities and thier surrounding areas. We highlight the importance of urban policy in delivering compact cities and neighbourhoods which enhance access to public services and amenities, including quality green and blue space and infrastructure, as well as reduce emissions from buildings and transportation, and any emissions associated with their construction. We also emphasise the need to build affordable housing, public services and other community amenities near to community hubs and transit lines, enhancing access for those with the greatest housing need. We underscore that all land use and urban transformation should be shaped by public engagement.

17. Transport, mobility and walkability:

We emphasise the importance of providing alternative sustainable modes of transport, including walking, cycling and accessible/barrier-free public transport. Mobility as a Service (MaaS), which offers citizens on-demand access to a range of different transport modes through a single digital service, driverless cars and innovative congestion measures can enhance convenience and mobility efficiency in cities and reduce associated greenhouse gas emissions. Different modes of transport, including local public transport services, should be connected, making them even more accessible. We recognise the importance of transit-oriented development (TOD), which coordinates urban development and transport policies to prevent urban sprawl and minimise the use of land, as well

as to reduce emissions from transportation and the construction of urban infrastructure. We stress that, in order to make cities attractive, accessible and healthy for all people, the comprehensive design, development and management of safe and comfortable walkable spaces should be enhanced, and active transport should be encouraged.   This can be achieved through collaboration between the public and private sectors that own, manage or operate transport services and infrastructure and are interested in improving public space and mobility.

18. Integration of land use policy and transport policy:

We underscore that policy silos should be avoided to develop an integrated approach. Integrating land use policies with transport policies is a good example of policy coordination. This policy approach, which is also called "compact plus network," will help attract more public services, facilities and amenities to the city centre and other key transport hubs, which, in turn, will lead to increased use of the local public transport network. It also helps preserve green and blue space for sustainable and active transport, and facilitate urban transformation. We stress that the well-coordinated and integrated design, development and management of multi-modal public transport hubs through collaboration between the public and private sectors will strengthen the accessibility, liveability and sustainability of cities.

19. Energy:

Aligning with the 2023 G7 Hiroshima Leaders' Communiqué and the 2023 G7 Climate, Energy and Environment Ministers' Communiqué, we reiterate the importance of enhancing energy efficiency, and that it should be considered as the "first fuel" in the energy transition and journey to net-zero, alongside accelerating the deployment of renewable energy. We also note that cities need to ensure services are delivered in the most resource efficient way, including by minimizing energy waste and maximizing energy savings to enhance energy security, access and affordability. We recognise the importance of optimising local energy production, consumption and management in cities by promoting renewable energy production and use; for example, introducing and upgrading district energy systems by incorporating innovative technologies, increasing energy efficiency and strengthening demand side management to reduce energy demand. We also highlight that a shift towards a decentralised energy system may offer potential benefits to drive innovation and private investment and increase energy security as well as reduce long-term infrastructure costs. We notice that digital technology will also help contribute to efficient energy management.

20. Buildings:

We are aware that a significant portion of greenhouse gas emissions is generated by buildings. In 2021, buildings and construction accounted for about 37% of energy and process-related CO_2 emissions and over 34% of global energy demand (Global ABC 2022). We commit to promoting net-zero buildings through effective building standards and other related legislation and measures regarding elements such as insulation, solar shading, and airtightness. We encourage policy programmes enhancing energy efficiency both in constructing new buildings and retrofitting old

building stock, in particular social housing. We emphasise the need for a range of solutions from more traditional methods to innovative modern technologies, such as the use of sustainable low-carbon materials including wood, the decarbonisation of heating and cooling systems, the installation of solar panels on rooftops to generate renewable energy, the planting of greenery on rooftops, walls and in other spaces, circular building materials, and the use and revitalization of abandoned buildings. We note that net-zero building life-cycles should be pursued from design and construction through to operation, management and demolition. We welcome and will enhance international cooperation to achieve net-zero buildings. We respect the important role landscape and preservation of heritage sites can play in urban resilience and integrated urban development, with their long history of adaptation to crises and changes. We also emphasise the importance of engaging with residents on these issues and encouraging social innovation and locally-led initiatives.

21. Build Back Better:

Recognising the vulnerability of many countries to disasters, we will promote policies and accelerate international cooperation on disaster risk reduction and strengthening urban resilience in line with the Sendai Framework for Disaster Risk Reduction 2015-2030. We stress that cities need to consider approaches to "Build Back Better" even before events occur to prepare for possible future disasters and to be resilient against natural hazards. We reiterate that critical infrastructure should be designed, built and maintained following the G20 Principles for Quality Infrastructure Investment (2019), including to promote continued function when events occur. We also emphasise that water-related disaster prevention should be planned and implemented at the river catchment or basin scale, and where possible, prioritise protection of the natural environment and nature-based solutions. We also recognise that non-structural measures, such as risk mapping, early warning systems and development of climate informed codes and standards, are be coordinated with structural measures. We underscore the importance of collaboration with national and sub-national governments, civil society, the private sector, local communities, and Indigenous Peoples for planning and implementation. This includes urban development in high-risk areas incorporating consultation with impacted people and communities, where possible.

Financing the cost of transition

22. Closing the finance gap:

We recognise that responding to climate-related risks requires significant financial resources. For example, research estimates that approximately USD $6.9 trillion per year will be required to meet climate and development objectives between 2016 and 2030 (OECD, World Bank and UN Environment). While national governments play an important funding role, public sector resources alone are insufficient to close the gap. We should explore financial solutions, including investment from the private sector. Targeted and well-coordinated investment, adhering to the G20 Principles for Quality Infrastructure Investment (2019), in cities as well as the building, infrastructure, transport

and energy sectors, are essential.

23. Mobilising diverse financial schemes:
While we recognise the importance of conventional finance schemes such as subsidies, grants, funds, and tax incentives by national governments and inter-governmental organisations, we welcome diversifying financing approaches to advance net-zero and climate resilience objectives. This includes incentives to facilitate funding flow through loans and investment, infrastructure funds, value capture finance, collective finance, biodiversity offsetting, cross-funding, payments for ecosystem services and revenue from CO_2 emission trading. We also support mobilising those schemes across urban-rural scales. We should implement measures that can improve market conditions that facilitate and encourage private sector investment, such as Impact and Environment, Social and Governance Investment. Standard setting for green projects could help guide private investment in those projects. This can nurture a common understanding of green investment practices and enhance predictability and transparency of the green market, including across borders. In addition we should introduce and enhance social and green clauses in public procurement.

Working together

24. The role of national governments:
We will pursue net-zero and resilient cities through our sustainable urban development policies, in the form of national urban development plans or policies, visions, strategies and roadmaps, and enhance monitoring of progress to net-zero urban development. At the same time, we will seek to integrate the urban dimension into national plans for climate change adaptation and mitigation (e.g., Nationally Determined Contributions, National Adaptation Plans), disaster risk reduction, as well as infrastructure development plans, in collaboration with relevant ministers and with the involvement of relevant actors.

25. Collaboration between national and sub-national governments:
We underscore that national governments should aim to foster multi-level climate action and we will work to increase communication, collaboration and mutual support with sub-national governments. This facilitates consistency, complementarity and coherence between national and sub-national action relating to sustainable urban development, including local policy programmes and their implementation. We stress that knowledge and information sharing, along with financial support from national governments, are useful; and we should encourage and welcome the efforts of sub-national governments to mobilise their own resources and networks with local communities and Indigenous Peoples. We acknowledge the importance of ambitious commitments and efforts by sub-national governments relating to climate change targets. We also commit to engagement in the G7 Roundtable on Subnational Climate Actions, established by the 2023 G7 Ministers'

Meeting on Climate, Energy and Environment.

26. Collaboration between sub-national governments:
We stress that collaboration between sub-national governments is effective for addressing issues that cut across sub-national government boundaries by creating policy synergies, savings costs and economies of scale. In functional urban areas in particular, it can lead to reduced infrastructure management costs and improved services. It is important that this ambition is reflected in spatial plans at every scale.

27. Collaboration with civil society and the private sector:
We should engage with civil society and stakeholders from different communities and relevant sectors to encourage them to jointly promote climate action. At the same time, we need to focus on awareness raising around climate change and climate actions to foster acceptance among citizens and encourage individual behaviour change regarding climate-oriented consumption and mobility patterns. We commit to promoting the decarbonization and climate resilience of the industrial sector in cities through improved energy efficiencies in industrial processes, as well as through the development and deployment of strategic net-zero technologies. We emphasise that private sector investment is important to address challenges for sustainable urban development. We also underscore the need for investment in the industrial circular economy and closed-loop systems, as well as reskilling local workforces to accelerate the transition to green(er) and more resilient industry.

28. International cooperation:
We will continue to work together to facilitate international collaboration and exchange, in particular sharing strategies and best practices. Based on our own experiences regarding net-zero and resilience, we will look to share lessons beyond the G7, including with emerging and developing economies, which also face the emergency of climate change. We commit to facilitating international city-to-city collaboration and knowledge sharing, as direct exchange reflecting diverse local circumstances can effectively help address global challenges in cities. International networks are also important windows of cooperation connecting the G7 with cities in emerging and developing economies, such as ICLEI – Local Governments for Sustainability, and the G20 Platform on SDGs Localisation and Intermediary Cities (G20 PLIC).

Importance of inclusive cities

29. Leave no one behind:

Given the diversity of those living and working in cities, we recognise that sustainable urban development policies must focus on securing equitable outcomes for all, and removing barriers for and accommodating diverse needs of all people, in particular, those in vulnerable situations, marginalized groups and disadvantaged neighborhoods, while fostering inclusiveness and social cohesion, and leaving no one behind.

30. Dealing with demographic change:

We also recognise that cities are experiencing rapidly changing demographics. In G7 metropolitan areas, the population over 65 years increased by 33% from 2006 to 2018 (OECD, 2023). Shrinking population in cities is becoming a common issue, given that one in five cities in OECD countries are facing population decline (OECD, 2023), exacerbating social isolation and segregation challenges in cities. This poses challenges for inclusiveness, and responses should be integrated and participatory to adequately respond to the diverse needs on the ground and ensure effective implementation.

Attractive and accessible urban areas for people from diverse backgrounds

31. Implementing strategies that enhance and create attractive and accessible communities:

We favour urban strategies that promote human-centric models and proximity to services. Urban infrastructure such as: housing, parks, water, sewage, information networks, energy, healthcare, social and cultural services, education, commercial services, leisure and sports facilities, cultural and entertainment amenities, cycling and walking paths, should be planned, developed and managed in a coordinated way to promote inclusiveness, as well as to maximise convenience and accessibility. Securing attractive and accessible public spaces and urban infrastructure that facilitate physical activity and promote social interaction between diverse groups of people is vital for enhancing quality of life. We highlight the importance of investment in public transport hubs and active transport infrastructure to enable people to access most, if not all, of their daily needs within a short walk or bike ride distance from their home. We stress that urban policies should guide how residential areas can be designed around vital infrastructure and within walking distance of public transport networks. As the 2023 G7 Transport Ministers' Declaration stated, we recognise the role of sustainable urban development policy, in collaboration with transport ministers, to contribute to

improving seamless, door-to-door access to all people in all regions, especially outside economic centres where the population is decreasing.

32. Safety and accessibility in cities:

We recognise the importance of policy programmes that help secure and promote the safety of people against crime in parks and public spaces. In particular, there is a need to protect girls, women, children, older persons and persons with disabilities. We highlight the importance of designing cities with all users in mind to improve accessibility, such as through providing universal design and digital technology to improve safety and remove the barriers that inhibit the use of city centres.

Diverse and inclusive communities and neighbourhoods

33. Importance of diverse and inclusive communities and neighborhoods:

We emphasise the importance of diverse and inclusive communities and neighbourhoods that accommodate people with various backgrounds. In doing so, they help prevent social isolation and segregation, enhance health, resilience and the wellbeing of all. In this regard, we recognise the need to promote and support access to public transport, participation in the economy and access to a range of social, cultural, educational and recreational amenities for people of all abilities and in all stages of life. We highlight the importance of childcare facilities as they reduce the burden of childcare for households, particularly for women who so often shoulder the familial responsibility. We also value the role of civic participation in identifying the needs and priorities of people in vulnerable situations, marginalised groups and disadvantaged neighbourhoods.

34. Housing with medical and welfare services:

We recognise the importance of housing policies that enhance access to medical and welfare services, and that facilitate opportunities for social interaction amongst residents. In particular, this can allow older residents to continue to live safely, independently and comfortably in familiar environments. Therefore, we endeavour to provide public and private housing that supports Aging in Place; for example, accommodations with nursing functions, supports for daily living and community development services within a neighbourhood that promotes social interaction. We acknowledge that the development of local hubs providing these services and functions within housing complexes has significant community and social benefits, particularly for those with special housing needs, such as older persons, children or those with disabilities. Such services are more effective when tailored to the needs of local people and open to everyone, rather than limiting access to residents.

35. Housing affordability:

We stress that issues surrounding housing affordability, namely the availability of affordable and adequate quality housing, need to be addressed through targeted investments from all levels of government, particularly through the provision of public and private housing for lower and middle-income households. We recognise that the use of vacant housing should also be encouraged,

according to national and local circumstances. We also recognise that energy efficiency measures are effective to reduce the cost of living. We note the importance of considering the diverse and differing needs of people when addressing housing affordability issues, particularly those of vulnerable, marginalised and different age groups.

Economic prosperity to correct disparities in and between cities

36. Strengthening local economic activities:

We recognise that leveraging "productive cities" as hubs for social and intellectual interaction, innovation and knowledge-based economies can reduce disparities. We highlight the particular relevance of such approaches to small and medium-sized cities. One way is to enhance and support small and medium-sized enterprises (SMEs) to encourage the arrival of new innovative industries, including social entrepreneurship and new social business models. We stress that strengthening local links and enabling short value chains, such as between education/research institutions and entrepreneurs, can lead to innovation and the mobilisation of all available assets. We recognise the advantages of circular economies where energy, food, other products and services are consumed as near as possible to where they are created to support sustainable patterns of transportation and local economic benefits.

37. Urban renewal:

We stress that comprehensive urban renewal projects, can facilitate accessibility and be effective catalysts for boosting economic activity. Such projects could include upgrading socially disadvantaged areas and developing hubs for innovation, developing physical and affordable spaces for SMEs in central areas in cities and communities, as well as improving accessibility to those places. We recognise that people who are impacted by these projects should be consulted.

Working together

38. Role of national governments:

We stress that national governments should be at the forefront of promoting inclusivity by setting clear policy targets across relevant policy areas; highlighting and supporting sub-national governments and communities to reduce discrimination and inequality; and respecting, protecting and fulfilling human rights.

39. Roles of sub-national governments and place-based approach:

Sub-national governments, as the tier of government in closest proximity to citizens, are well-placed to provide unique perspectives on local situations and to respond to local contexts when developing, implementing and evaluating policies. We underscore the importance of place-based approaches as inclusivity is strongly rooted in local contexts.

40. Collaboration with civil society and Indigenous Peoples:

We recognise that engagement with communities and civil society from diverse backgrounds, including education, research institutions, and Indigenous Peoples is indispensable for making cities inclusive and achieving sustainable urban development. It is imperative to understand that everyone has a voice; in particular those from the most vulnerable and marginalised groups.

41. International cooperation:

We recognise the importance of international collaboration in exploring solutions to common challenges of realising inclusive cities. While challenges and approaches vary widely from country to country and place to place, exchanging strategies and best practices and collaborating with others who share challenges can expand knowledge beyond national boundaries and identify solutions.

IV. Digitalisation in cities

Benefit of digitalisation

42. Digitalisation for human-centred urban development:

We realise that digitalisation, which encompasses both strengthening connectivity as well as the use of data and technology, has become a critical tool for creating sustainable cities, especially after the COVID-19 pandemic which altered the way people interact, live, work and participate in cities. The Ministerial Declaration of the G7 Digital Technology Ministers' Meeting 2023, stated that digitalisation and digital infrastructure underpin modern societies and help to deliver inclusive economic growth that maximises the benefits of digital technologies, including emerging technologies and artificial intelligence, such as through the Japanese Presidency's vision for Society 5.0. We recognise that digitalisation can contribute to economic, environmental and social development and management of cities. It can also have a positive impact on mitigating climate change and promoting inclusion. We recognise that "smart city approaches" can contribute to "human-centred urban development" and provide equitable solutions for the diversity of people's needs and lifestyles. As highlighted in the 2023 G7 Digital Technology Ministers' Declaration, "smart city" initiatives have a renewed role in promoting connectivity to bridge digital divides in cities and communities of all sizes.

43. Digitalisation for decision making and participatory process:

We highlight the potential for inclusive and accessible digital technologies to improve the way how urban planning and urban policy is designed and implemented, leveraging not only physical space but also cyberspace across all levels of government. Its uses in community engagement and citizen participation processes has the potential to enhance and increase efficiencies for more informed evidence-base and promote inclusive decision making among citizens, in particular for those in vulnerable situations, marginalised groups and disadvantaged neighbourhoods. On the other hand, we also emphasise that in-person methods of service provision and engagement will continue to play an important role, and therefore support a hybrid approach where possible.

Enablers of digitalisation in cities

44. Addressing challenges of digitalisation:

Whilst we recognise that digitalisation for "human-centred urban development" presents new and exciting opportunities, we are also mindful of the inherent risks, and the urgent need to address its challenges to ensure the benefits can be shared by cities of all sizes and their inhabitants. Secure and resilient digital infrastructure is a critical enabler for realising the wider benefits of human-centred digitalisation. We welcome the 2023 Ministerial Declaration of the G7 Digital and Tech

Ministers' Meeting which recognised the importance of continuing work and discussion and valued further international cooperation on this matter.

45. Data governance and open data:

We reiterate the 2023 Ministerial Declaration of the G7 Digital and Tech Ministers' Meeting regarding their commitment to accelerate and operationalize work on Data Free Flow with Trust (DFFT). We recognise that under the principles of DFFT and proper data governance, it is desirable that public data on cities be accessible online by default, while addressing challenges regarding security, privacy protection, data protection, the protection of intellectual property rights, and recognising our diverse approaches to data governance.

46. Databases and data sharing:

We recognise that conducting surveys to collect data, and development and use of databases related to urban development, including with respect to land use, traffic dynamics and activity patterns can provide useful information to guide urban development policies and planning. We recognise that such data should be made available, well-maintained and accessible to the public. We also understand that such data and systems need to be updated regularly. This should be done responsibly, accounting for data privacy and data protection regulations, intellectual property rights and security issues. We recognise that open and standardised data formats can promote comparability, portability and interoperability.

47. Addressing the digital divide through capacity building and digital connectivity:

As stated in the 2023 Ministerial Declaration of the G7 Digital Technology Ministers' Meeting, we stress that the digital divide should be addressed using a range of approaches. Examples of these approaches include the provision of and access to resilient and affordable digital infrastructure networks such as broadband and 5G; and the provision of reliable data in a standardised digital format, and building capacity and skills of all people in the public sector and those in vulnerable situations, marginalized groups and disadvantaged neighbourhoods. Such efforts would expand the users of digital technologies, and promote new digital markets that meet heretofore unrecognised needs beyond those identified by the suppliers of technologies. This is the critical point of realising human-centred, as opposed to technology-driven, urban development. We recognise that the digital divide is more acute in small and medium-sized cities compared with larger metropolitan areas, and highlight the need to focus on cities of all sizes.

48. Development of use-cases:

We also underscore the value of developing use-cases, which demonstrate the practical use of data and digital technologies such as by making data visually immersive. Developing use cases with the help of digital mapping tools and digital twins (e.g., 3D city models) can highlight the effectiveness and potential of digitalisation more broadly.

49. Evaluation of digitalisation:

We stress the need to explore the measurement and evaluation of digitalisation in cities, including through use of existing frameworks. This could include measuring each city's progress in adopting digitalisation as well as its impacts on sustainable urban development. Use-cases can be particularly helpful in evaluation processes.

Working together

50. Role of national governments:

We recognise that national governments have a role to advance digitalisation, including through working with sub-national governments and the private sector, and, where appropriate, developing plans, policies, visions, approaches and guidelines for digitalisation in cities, and demonstrating best practices and use-cases. We commit to sharing and disseminating such knowledge and practices. We recognise the value of the Sustainable Urban Development Ministers to enhance communication and collaboration with other ministers responsible for digital technologies, digital infrastructure and DFFT. We also understand the importance of ongoing dialogue on issues related to digitalisation and digital technology, including policies to properly address ethical and functional concerns.

51. Role of sub-national governments:

We recognise that sub-national governments are well-placed to collect public data related to urban development and make them accessible to the public. We also understand that capacity building of public officials is important. We recognise that interoperability and the sharing of digital services between local governments is important to ensure equal access and service for all people. We welcome efforts and support sub-national governments to develop plans and strategies, guided by international and national policies and frameworks, to promote their digitalisation process.

52. Collaboration platform:

We recognise that collaboration between the public and private sectors, including academia, local businesses and industry, can be a catalyst for knowledge sharing and innovation on advancing digitalisation in cities. We emphasise that such collaboration can be enhanced by developing use-cases, and using visually engaging information such as simulations about changes in the urban transformation process.

53. Collaboration with civil society and the private sector:

We acknowledge the considerable potential of crowdsourcing and the co-creation of knowledge to enhance the development and maintenance of digital solutions. Therefore, we value collaboration with diverse actors from civil society and the private sector. For example, civil society organisations are often well-placed to support community capacity building in the utilization of digital technologies. Innovative private sector often have extensive knowledge, through their research and development on digital technologies

54. International Cooperation:

We reaffirm that we will work together to facilitate international collaboration and exchange in the areas of digitalisation and smart cities, as discussed in the Second Session of the United Nations Habitat Assembly of June 2023. We will work to learn from each other's experiences in deploying digital technologies for sustainable urban development, as well as realising smart cities globally, including in emerging and developing economies, by sharing strategies and best practices. We also recognise the value of the G20 Global Smart Cities Alliance as a network to enhance international cooperation.

55. Working together:

Facing the triple planetary crisis of climate change, biodiversity loss and pollution, while recognising the significant efforts, role and potential of cities to address them, we are committed to designing, improving and implementing urban development policies which contribute to realising sustainability and the well-being of people. As emphasised in our discussions and detailed in the corresponding sections above, and under the aegis of the 2023 Sustainable Urban Development Ministers' Meeting theme, we commit to fulfilling our task by working together with sub-national governments, in particular small and medium-sized cities, civil society, private sector, industry, academia and Indigenous Peoples. The Kagawa-Takamatsu Principles describe the way we work together with diverse actors.

56. Future actions:

We welcome future discussions in international fora, and continuous support and engagement to deliver and accelerate progress on important international frameworks, agreements and declarations, including the Sustainable Development Goals, the Paris Agreement, the UN New Urban Agenda and its guiding principles, the Sendai Framework for Disaster Risk Reduction, the Kunming-Montreal Global Biodiversity Framework as well as future discussions. We are also committed and dedicated to enhancing the exchange of information, the sharing of best practices and the discussion of policy options regarding, but not limited to, the topics of net-zero and resilient cities, inclusive cities, and digitalisation in cities. We will do so among the G7, as well as with non-G7 countries, including emerging and developing economies, and with international organisations and networks to addressing global challenges. We will continue to support the SUDO format for mutual support, information sharing and learning. We warmly welcome the intention of the forthcoming Italian G7 Presidency to convene a Sustainable Urban Development Ministers' Meeting in 2024.