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The 5<sup>th</sup> Kitakyushu Initiative Network Meeting (KINS)


**Intercity Network Program Ideas for Low Carbon Development in Asia**

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February 10, 2010



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**Background: Opinions of Japanese local governments & Recent developments in Japan**

Business involvement is vital in achieving low carbon development and this applies to international city-to-city cooperation

**Opinions of Japanese local governments toward international environmental cooperation**

- Environmental cooperation needs private sector involvement. Local governments alone cannot do much. The issue is how to promote local environmental business abroad.
- Under significant budgetary and manpower constraints, motivation for international cooperation does not grow
- Difficult to communicate with local governments overseas directly, due to financial and staff capacity constraints. It may become possible, if there are organizations which supports local governments to do so

Source: Interviews to local governments by IGES (2009)

**Recent developments in Japan**

- Kitakyushu City Government announced to set up Asia Low Carbon Center in 2010 and promotes Kitakyushu's environmental business abroad
- Osaka Prefecture and Hyogo City Governments have set up "Osaka ATC Green Eco Plaza" and "Environmental Business Kansai Project" respectively to promote local environmental & energy efficiency business
- The Japanese government has initiated Clean Asia Initiatives to achieve sustainable low carbon development in Asia. Sub-themes include green purchasing and environmental business promotion

What kind of intercity network programs would fit under current situations?

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**Proposed ideas for potential intercity network programs for low carbon development in Asia**

Several intercity networks offer business-related programs and services to local governments, but they do not link Japanese companies with Asian cities

**1. Purchasing assistance**

- Promote low carbon development by consolidating the purchasing power of local governments and installing energy-efficient & low-pollution technologies and products at lower rates

(Example: C40)

**Benefits to local governments**

- Save utility costs
- Reduce installation costs of energy efficient products and cars
- Achieve environmental targets
- Improve image of local government
- Contribute to global GHG emissions reductions
- Promote local business abroad

**2. Business match-making**

- Link local governments with environmental business

(Example: CITYNET – Smart Cities Program)

**Benefits to companies**

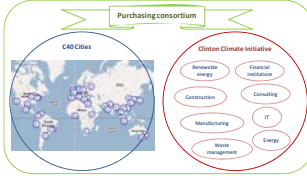
- Obtain new business opportunities
- Increase market share
- Decrease business risks
- Reduce transaction costs

... Potential introduction of these programs could be considered in Japan and Asia?

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**C40 CITIES** **CLINTON CLIMATE INITIATIVE**

C40 provides purchasing assistance to local governments and business opportunities to companies



- C40 is an intercity network with the 40 large cities in the world including Tokyo, Hong Kong, Bangkok, Jakarta, and Beijing. It was initiated by the Mayor of London in 2005. C40 limits the number of member cities, and currently refuses new entries as participating cities
- Clinton Climate Initiative (CCI) is a part of Clinton Foundation which focuses on climate change issues. It works with C40 as an implementing partner.
- CCI provides integrated services to member cities including purchasing and financial assistances. As for purchasing assistance, CCI creates a purchasing consortium, negotiate prices of products and services with companies, and introduces partner companies to member cities. This works effectively with programs such as energy-efficiency building retrofit, outdoor lighting, and transportation. Regarding financing, assistance includes introducing financial institutions, advising on different types of financing, including carbon finance.

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**Proposed idea 1: Purchasing assistance program for Japanese and Asian cities**

Create a program to support green purchasing of Japanese and Asian cities ...

**Step 1: Domestic**  
Promote low carbon development domestically

- Capture domestic demand on purchasing (Create a domestic purchasing consortium)
- Select partner companies and negotiate terms & conditions of the services and products to be provided
- Select partner financial institutions
- Create list of best practices, contract templates, and document case studies


**Step 2: International (Asia)**  
Share Japanese technology and assist leap-frogging type low carbon development in Asia

- Capture the demand of Asian cities (Create an international purchasing consortium)
- Identify and select companies which want to and can provide products and services in Asia and negotiate terms and conditions of the services and products with them
- Identify and select financial institutions
- Create list of best practices, contract templates, and document case studies

(Idea for operators: Intercity networks + Green Purchasing Network + JETRO + Consulting firms + Asia Productivity Organization + UN Industrial Development Organization-ITPO Japan + Universities + Research Institutes)

\*Please note that no consultation has been made with the above mentioned organizations on this program

Project time line (image)



... and assist low carbon development in Asia

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**SMART CITIES CITYNET - Sustainable Management Action Resource Tools for Cities (SMART Cities) Program**

SMART Cities Program links European companies with Asian cities, and CITYNET aims to update & expand this program this year




- At City Page, companies can search what technologies individual Asian cities are interested in
- CITYNET works with Regional Institute of Environmental Technology & Green City Denmark on this program
- At Green Page, cities can search what technologies & services individual companies can offer


Perhaps, this could be expanded to link Japan and Asia?

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### Kitakyushu City's Directory of Environmentally-Friendly Technologies and Business Opportunities & JETRO's Business Matching Database

Kitakyushu City and JETRO have databases of Japanese companies, but they are not linked with Asian cities






- ✓ Kitakyushu City list local companies with promising environmental technologies
- ✓ JETRO's Business matching database lists over 30,000 business proposals, and Promising Local Companies website lists companies selected by individual local governments

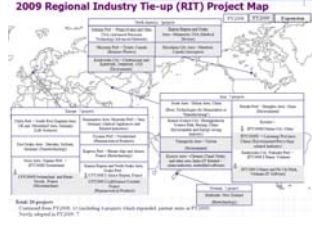
... perhaps, these could be linked with CITYNET Smart Cities Program?

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### JETRO's Regional Industry Tie-Up (RIT) Program

RIT program facilitates region-to-region business collaboration to stimulate local business and to create new industries of participating regions




- ✓ The program offers financial and technical resources to participating local governments to form inter-regional business collaboration. The bottleneck is that a city must have a partner city with a promising project upon the application to this program



... Perhaps, this could also be linked with intercity network programs?

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### Proposed idea 2: Business matching program for Japanese and Asian cities

Create programs to link Japanese and Asian cities and support low carbon development and economic growth in the region

Step 1: Website  
Create a website which enables to search the needs of local governments and the know-how of companies

Intercity networks	JETRO
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- ✓ Collect and update Asian local governments' needs and basic information
- ✓ List companies with environment-related technologies using the existing databases
- ✓ Collect and update business related information with JETRO, when it's deemed appropriate

Step 2: Program  
Improve efficiency and effectiveness of business matching efforts

Intercity networks	JETRO (+ local governments & business associations)
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Ideas on collaborative projects


- ✓ Environmental cooperation projects with JICA & UN
- ✓ Developmental projects with co-benefits (Energy efficiency, waste management, building, electrification, urban development, etc)
- ✓ Carbon offset

Ideas on collaborative projects

- ✓ RIT Program (Use intercity networks to meet with other local governments, find partners for business and apply for RIT Program when projects becomes promising)
- ✓ Local business promotion activities of individual local governments and business associations

\*Please note that no consultation has been made with the above mentioned organization on this program


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### Proposed ideas for potential intercity network programs for low carbon development in Asia

Summary

- ✓ Propose purchasing consortium and business matching as potential intercity network programs for low carbon development in Asia
- ✓ These programs are supposed to complement and strengthen existing programs of various stakeholders of international city-to-city cooperation, including JETRO, JICA, United Nations and intercity networks
- ✓ These ideas need to be developed in detail with potential operators of these programs
- ✓ Your comments and feedbacks are highly appreciated!



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