

First International Economic Forum on Asia

Enhancing regional integration and development through quality infrastructure and resilience

14 April 2017

Shinagawa Prince Hotel, Tokyo, Japan

Agenda

09:30 – 10:00 Registration

10:00 – 11:15 Opening— Enhancing regional integration for a sustainable future

In addition to introducing the overarching topic of the meeting, this session will set the scene for the following sessions based on the findings of the 2017 edition of the Economic Outlook for Southeast Asia, China and India.

Opening speeches:

- Kentaro Sonoura, State Minister for Foreign Affairs, Japan
- Angel Gurría, Secretary-General, Organisation for Economic Co-operation and Development (OECD)
- Hidetoshi Nishimura, President, Economic Research Institute for ASEAN and East Asia (ERIA)

Keynote speech:

- Mario Pezzini, Director, OECD Development Centre and Special Advisor to the OECD Secretary-General on Development

11:00 – Family photo

Master of Ceremonies: Naoko Ueda, Deputy Director, OECD Development Centre

Shigenobu Kobayashi, Director, Development Assistance Policy Planning Division, Ministry of Foreign Affairs, Japan

11:15 – 13:00 Session 1— Responding to globally growing infrastructure demands: establishing global standards to promote quality infrastructure investment and new finance

Resilient infrastructure is essential for the sustainable development of developing and emerging economies and for regional connectivity and integration. While infrastructure demands continue to increase in the world with Asia at the top of the list, the supply of funds for infrastructure development cannot keep up with the demand. It is difficult to deal with the ever-growing infrastructure demand in developing and emerging countries through conventional means of public financing, and thus the mobilisation of private funds is indispensable. For future infrastructure development, we need a new form of finance that combines public and private funds in a coordinated manner such as Public-Private Partnerships. It also is necessary to diversify financial instruments, including through such fiscal and financial efforts as using tax revenues, issuing government bonds and injecting viability gap funds.

At the same time, we should avoid focusing only on the quantity of infrastructure and neglecting the quality. It is important for the international community to share an understanding about the quality of infrastructure. In developing infrastructure, what matters is not only the physical quality but also how infrastructure is built, taking into account, for example, job creation for local communities and social and environmental impacts. In this regard, the "G7 Ise-Shima Principles for Promoting Quality Infrastructure Investment" agreed upon at the G7 Ise-Shima Summit showed one direction on the basic elements upon which the international community could align its infrastructure investments. The G20 Hangzhou Summit confirmed the importance of these principles. Sharing such principles more widely internationally will greatly influence the quality of infrastructure investment in developing and emerging countries, and eventually have an impact on potential global growth.

With these circumstances in mind, this session will discuss the following points:

- How to deal with infrastructure demands in developing and emerging countries by using public funds and

further mobilising private funds, as well as broadening financing methods, including through fiscal and financial efforts

- Actions needed for the G7 Ise-Shima principles for promoting quality infrastructure investment and the G20 Leaders' Communique to be employed by governments, international organisations, including multilateral development banks, and other investors in their respective infrastructure investments
- Standards to be met by the international community in promoting quality infrastructure investment

Moderator: Professor Naoyuki Yoshino, Dean, ADBI

Speakers:

- Hiroto Izumi, Special Adviser to Prime Minister Shinzo Abe, Japan
- Armida Alisjahbana, Former Minister of National Development Planning Agency (BAPPENAS) of Indonesia
- Wang Jinzhao, Deputy Director-General, Department of Foreign Economic Relations, Development Research Center of the State Council, People's Republic of China
- Fukunari Kimura, Chief Economist of ERIA and Professor, Dean of the Graduate School of Economics, Keio University
- Alexander Böhmer, Head of the Southeast Asia Division, OECD Global Relations Secretariat
- Ana Novik, Head of the Investment Division, Directorate for Financial and Enterprise Affairs, OECD

13:00 – 14:30 Lunch break

14:30 – 15:45 Session 2— On track to a circular economy: rethinking quality infrastructure for waste management

The associated creation of waste from the growing consumption of resources is a major challenge facing all countries. This is particularly the case for Asia, which has been enjoying economic expansion and rapid urbanisation. Asia has become not only the world's factory, but also a global source of waste and other environmental challenges, including greenhouse gas emissions and marine litter throughout the lifecycle of materials. At the same time, Asia sees the strong need to recycle waste for its ecological infrastructure development, making the region key for the implementation of the SDGs and the Paris Agreement. For many years, the 3Rs concept to Reduce, Reuse and Recycle has been promoted intensively at such levels as the G7/8, OECD and Asia-Pacific region to minimise waste and use it as a valuable resource. In addition to the 3Rs, the circular economy represents a new way of thinking about producing and consuming resources. Rather than a 'take, make, dispose' model, the circular economy aims to eradicate waste by using as few resources as possible in the first place, designing sustainability into products, and reusing and recycling products at the end of the process so that one industry's waste becomes another's raw materials. Shifting to a circular economy will demand rethinking infrastructure, from waste management systems to energy generation. Opportunities exist to apply circular economy principles to the design and construction of infrastructure. To do so requires an inventive approach for the region that may be different from what Europe and other areas are doing and tailored to the Asian context.

This session will discuss the infrastructure transformation needed at the national level to enable the circular economy to flourish.

This session will explore:

- Good practices of infrastructure initiatives that are contributing to the circular economy
- The national public policies that can support the transition to the circular economy
- What the financing needs and barriers are to shifting to a circular economy
- How the circular economy concept should be interpreted and implemented in the context of Asia
- How regional co-operation can accelerate the movement towards the circular economy
- How to foster inclusive growth and jobs in cities through investments in renewable energy and green activities

Moderator: Mario Pezzini, Director, OECD Development Centre and Special Advisor to the OECD Secretary-General on Development

Speakers:

- Tadahiko Ito, State Minister of the Environment, Japan
- Chu Pham Ngoc Hien, Deputy Minister of Natural Resources and Environment, Viet Nam
- Dechen Tsering, Regional Director of United Nations Environment Programme in Asia and the Pacific

- Shardul Agrawala, Head of Environment and Economy Integration Division, OECD
- Lamia Kamal-Chaoui, Director, OECD Centre for Entrepreneurship, SMEs and Local Development
- Poonsak Chanchampee, Senior Director EHS and Environmental Services Development, Waste Management Siam, Thailand

15:45 – 16:00 *Coffee break*

16:00 – 17:15 **Session 3— The challenge of sustainable cities: Building inclusive urban infrastructure to withstand disaster risks**

Asia is home to 53% of the world's urban population and is one of the world's fastest urbanising regions. By 2025, 21 of the world's projected 39 megacities will be in Asia, and by 2050 the region is projected to be 64% urban. The region's cities also are among those most exposed to the impacts of climate change and other natural disasters. Natural disasters are a serious obstacle to realising poverty reduction and sustainable development, as they threaten lives and undermine long-standing development efforts. For this reason, disaster risk reduction is an indispensable element to realising sustainable cities, and the perspectives of disaster risk reduction need to be mainstreamed and incorporated into long-term urban policies and planning. Yet, it is impossible to prevent disaster risk and they will occur no matter how hard we work to create cities resilient against them. That is why early warning, evacuation, preparation for rapid disaster response and smooth reconstruction efforts are all necessary to protect human lives. It also is necessary to raise public awareness about natural disasters and disaster risk reduction efforts. In this regard, November 5 was designated as the "World Tsunami Awareness Day" in December 2015.

Ensuring that cities are liveable, inclusive and disaster-resilient will require smart infrastructure solutions. It will require the active involvement of local small and medium-sized enterprises and entrepreneurs as innovators and job creators. This session will discuss how cities and local authorities are mainstreaming disaster risk reduction in their urban policies and plans, focusing on deepening people's awareness of natural disasters and disaster risk reduction, finding innovative solutions to prevent disasters, and building inclusive urban infrastructure as key for sustainable development.

This session will explore:

- How to effectively incorporate the disaster risk reduction perspective into cities' policies and urban planning, and deepen people's awareness of natural disasters and disaster risk reduction
- What are the challenges that Asian municipalities face in developing quality infrastructure that also is resilient to disasters
- What makes a smart city "smart" and learning lessons from localised smart urban strategies

Moderator: Professor Yoshiaki Kawata, Kansai University

Speakers:

- Teru Fukui, Member, House of Representatives
- Rolf Alter, Director, Public Governance Directorate, OECD
- Anita Firmanti Eko Susetyowati, M.T., Secretary General, Ministry of Public Works and Housing, Indonesia
- Thani Thongphakdi, Deputy Permanent Secretary, Ministry of Foreign Affairs, Thailand
- Toshihide Hirahara, Deputy Mayor of Yokohama city

17:15 – 17:45 **Concluding remarks**

Moderator: Shigenobu Kobayashi, Director, Development Assistance Policy Planning Division, Ministry of Foreign Affairs, Japan

- Toshihiro Nikai, Secretary General, Liberal Democratic Party of Japan and Member of the House of Representatives
- Kazuhiko Koshikawa, Executive Senior Vice President, Japan International Cooperation Agency (JICA)
- Mario Pezzini, Director, OECD Development Centre and Special Advisor to the OECD Secretary-General on Development