

Third Meeting of the OECD Champion Mayors for Inclusive Growth

19 October 2017
Seoul | Korea

SEOUL IMPLEMENTATION
AGENDA



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PREAMBLE

Since March 2016, more than 50 mayors from around the world have joined forces to address rising inequalities through the OECD Champion Mayors for Inclusive Growth initiative, as a key contribution to the *OECD All on Board for Inclusive Growth* initiative.

By signing on to the [New York Proposal for Inclusive Growth in Cities](#)ⁱ, Champion Mayors agreed to work together to create more inclusive cities through four policy domains: 1) education, 2) labour markets and skills, 3) housing and the urban environment, and 4) infrastructure and public services.

The [Paris Action Plan for Inclusive Growth in Cities](#)ⁱⁱ took these commitments one step further by outlining a series of concrete actions. Notably, the *Paris Action Plan* recognised that within these four policy areas, inequalities and climate change must be addressed in tandem to ensure that growth is both inclusive and sustainable. Moreover, in recognition of the important contributions of Small and Medium-sized Enterprises (SMEs) to a more inclusive economy, the *Paris Action Plan* also acknowledged that cities can promote policies to support SMEs and expand opportunities for entrepreneurship.

The *Seoul Implementation Agenda for Inclusive Growth in Cities* builds on these commitments to focus on the implementation of two dimensions of the Inclusive Growth agenda that are explicitly addressed in the *Paris Action Plan*:

- how cities can best bridge strategies to address climate change and inclusive growth, and
- how cities can support small businesses and entrepreneurs in view of a more inclusive local economy.

TOWARDS MORE INCLUSIVE, SUSTAINABLE CITIES

We, Champion Mayors for Inclusive Growth and leaders from Supporting Institutions, recognise that **we must take bold action to address climate change and inclusive growth**, which represent two of the most pressing policy challenges facing our cities and societies.

We acknowledge that **the impacts of climate change may disproportionately affect poor and vulnerable populations and risk further entrenching inequalities**. Even if wealthier populations have more assets at risk, low-income populations are likely to be more exposed to and affected by climate damages; are likely to live in areas that are prone to climate change hazards or that are ill-equipped to face climate risks; and have a lower capacity to recover from climate shocks.ⁱⁱⁱ

We believe that **cities must be an integral part of efforts to improve lives and the well-being of the whole population – regardless of age, abilities, gender, sexual orientation or social or ethnic background**. This requires a **new growth model** that is inclusive and generates benefits felt by all.

We also recognise that to continue to improve well-being over the long term, the **sources of economic growth must be sustainable**, just as **our economies must be resilient to future climate impacts**. This will require a transition from carbon-intensive to carbon-neutral behaviours and practices.

We acknowledge that climate change policies that aim to reduce greenhouse gas emissions have **a range of economic consequences** and can result in **trade-offs between policy objectives**. This is because they imply the reallocation of resources between economic activities. Some communities will be particularly affected by a low-carbon society, in the coal industry for instance, and policies need to be implemented to address these losses and help them transition towards more sustainable activities.

We recognise, however, that **getting climate policies right also has the potential to contribute to economic growth** through increased investment in low-carbon infrastructure, the creation of entrepreneurial opportunities, and the emergence of innovative business models.

We acknowledge that **climate actions can produce many broader benefits to well-being**, including improved health outcomes and lower healthcare costs, improved air quality and greater liveability.

Likewise, we recognise that **efforts to address inequalities and social exclusion can support environmental sustainability objectives** when policies are well designed and compensatory measures are provided to manage trade-offs.

We acknowledge that the effective implementation of policies to address the challenges of climate change and inclusive growth will **require concrete actions to align policy objectives at all levels of government across different sectors**, such as transport, housing, water and energy, and across different policy areas such as land-use planning, innovation, labour market and skills, entrepreneurship, social inclusion, taxes, infrastructure and investment. Strong co-ordination will be needed to promote the contributions from and benefits to all people, places and firms.

SUPPORTING SMALL BUSINESSES AND ENTREPRENEURS FOR MORE INCLUSIVE GROWTH

We recognise that **small businesses and entrepreneurs are the backbone of our economies** and make important contributions to progress towards a more inclusive, innovative and green economy. SMEs are responsible for the majority of business employment in most OECD and emerging-market economies, providing income and job opportunities for many households. Business creation and the innovation capacity of SMEs are also critical to find and implement new solutions to environmental and social challenges.

We acknowledge that **small businesses and new entrepreneurs face greater barriers to establishment and development than larger companies**, as they are disproportionately affected by market and institutional failures. These barriers are even greater for social groups who are disadvantaged and under-represented in entrepreneurship, including women, youth, immigrants and the unemployed. Addressing these challenges is critical to unleash the potential of entrepreneurship and small businesses for inclusive and sustainable growth.

We recognise that **cities play a key role in creating ecosystems that are conducive to entrepreneurship and SME development** by enabling access to strategic resources, services, markets, infrastructure and knowledge networks, as well as through the simplification of local business regulations (e.g. permits and licenses).

We recognise that **SMEs, as well as entrepreneurs, are heterogeneous in characteristics, performance and growth prospects**, and that policies to support SMEs and entrepreneurs should be tailored to take these differences into account.

We also recognise **the important role of social enterprises**, which can bring innovative market solutions to the problems of poverty and social exclusion and fill gaps in service-delivery, while contributing to the employment of people at the margins of the labour market.

We recognise that **the participation of small businesses in the transition to the green economy** will be a key factor in reducing the environmental impacts of firms, especially in the manufacturing sector. This can occur through the development of more sustainable production processes among small businesses. At the same time, small businesses can be a major source of green innovation, as they are often behind breakthrough innovations in science-driven and high-tech sectors.

OUR COMMITMENTS

In light of these premises, we, Champion Mayors and leaders of Supporting Institutions, commit to the following actions:

- **People-centred policy making.** We will cement our commitment to Inclusive Growth by putting people at the centre of policy planning, design and implementation. This means incorporating residents and other stakeholders in policy making processes and working with residents to build the skills and knowledge needed to make informed decisions.
- **Mutually reinforcing actions.** We will work to promote policies to address climate change and inequalities that are mutually reinforcing. This means ensuring that we seize the opportunities created by the climate challenge to adopt a more sustainable and more inclusive growth model, advance adaptation strategies to protect people – and especially the most vulnerable – from climate impacts, and minimise the short-term trade-offs through policies solutions that mitigate the social impact of regressive climate policies.
- **A level playing field.** We will work to ensure that firms of all sizes are equipped to contribute to more inclusive and sustainable economic growth. This means doing our part to support the development of conducive local ecosystems, which ease access of small businesses to strategic resources, including skills, services, markets, infrastructure and knowledge networks.
- **Smart investments.** We will promote infrastructure investments that facilitate access to jobs, public services and amenities as an essential means of fostering economic growth and social inclusion. We will strive to ensure that infrastructure investments are low-carbon, as the carbon lock-in of long-term infrastructure projects represents a threat to cities, their inhabitants and humankind more generally. We will support infrastructure investments that enhance resilience to the impacts of a changing climate, and adopt flexible, inclusive and iterative approaches to adaptation decision-making. We will help to strengthen the protection of vulnerable populations from climate risks, such as heatwaves and flooding.

- **An integrated policy approach.** We will promote policies to address climate change and promote inclusive growth that cut across many sectors of public policy. We will also aim to seize synergies and manage trade-offs in key sectors, such as transport, housing and the built environment, water, waste and energy.
- **Co-ordinated local actions.** We will work in partnership with the people, firms and institutions in our cities to respond to the global challenges posed by inequalities, social exclusion and climate change. We will partner with neighbouring jurisdictions to ensure that efforts taken in our city contribute to more sustainable, inclusive outcomes in the wider metropolitan area and more broadly.

We, Champion Mayors, call on the OECD, in partnership with the Supporting Institutions – Ford Foundation, Brookings Institution, Cities Alliance, C40 Cities Climate Leadership Group, ICLEI, Lincoln Institute of Land Policy, National League of Cities, UCLG, and United Way Worldwide – to recognise our contributions to the broader OECD Inclusive Growth agenda and support our efforts in this work, namely by:

- developing **evidence and understanding of the wider benefits** of climate action for inclusive growth and identifying potential **regressive impacts and short term trade-offs** of climate action and inclusiveness;
- diagnosing the **policy misalignments** across sectors and levels of governments that may exist to address climate change and inclusive growth objectives;
- providing local governments with **policy guidance and recommendations** (e.g. economic instruments, regulations, institutional arrangements) and enhancing **peer-to-peer support and the exchange of good practice** to leverage climate policies to achieve social objectives;
- **identifying bottlenecks in city entrepreneurial ecosystems** in the areas of entrepreneurial culture, regulations, finance, skills, business networks and business support and how they are affected by city contexts and city policies ;
- diagnosing the **successful policy approaches that city governments and development agencies** can employ to stimulate and sustain entrepreneurship and small business development for inclusive and sustainable growth; and
- providing local governments with **policy guidance and recommendations** (e.g. on business development services, business support infrastructures, and small business financing and innovation support tools) and enhancing **peer-to-peer support and the exchange of good practice** to leverage local small business and entrepreneurship policies for inclusive and sustainable growth.

With these actions, we commit to support global efforts to build more inclusive, sustainable societies, namely the **Sustainable Development Goals (SDGs)** the **2015 Paris Climate Agreement**, and the **New Urban Agenda**. We will continue to make every effort to ensure that our cities and societies are more inclusive and sustainable for current and future generations.

ⁱ Endorsed by Champion Mayors in New York on 29 March 2016.

ⁱⁱ Endorsed by Champion Mayors in Paris on 21 November 2016.

ⁱⁱⁱ Ample evidence suggests that vulnerable populations may be disproportionately affected by climate risks, and face greater challenges in recovering from climate-related shocks: UNDESA (2016), *World Economic and Social Survey 2016*; UNICEF (2015), *Unless We Act Now*; Hallegatte et al. (2016), *Shock Waves: Managing the Impacts of Climate Change on Poverty*.



**OECD Champion Mayors
for Inclusive Growth initiative**

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BROOKINGS



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