



Economic Incentives for Green Initiatives in Nagoya city, Japan

Short title: Economic incentives for green initiatives in Nagoya city, Japan

Key Message: In order to stop the decrease in green space of Nagoya City, Japan, the local government has introduced a system of financial incentives offered by the financial sector to preserve private green areas. Further, a certification system called the 'NICE GREEN Nagoya' has been initiated whereby landowners get incentives for better ratings.

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What is the problem?

Nagoya is the third largest economic area in Japan after Tokyo and Osaka. The Population of Nagoya city is over two million. And the most of the city area is classified as an urban city area. In the past 50 years, most of the green area in the city has gradually decreased. From 1990 to 2005, around 1600ha of green area has changed to other land usage which is equivalent to 5% of the total city area. Currently, the percentage of green area is approximately 25% of the total city area¹.

Which ecosystem services were examined? And how?

To stop this decreasing tendency, Nagoya city government introduced the following system which purpose is to increase green area especially in privately owned land. Nagoya city has introduced an incentive-based urban greening system since 2008. According to Nagoya city government², this is the first system of introduction of incentive based greening system in Japan. It is implemented by the combination of several institutional systems.

Firstly Nagoya city has introduced "The System of Greening Area³" since 2008. It requires land holders to make their land greening in 10-20% of total land. The target land size is bigger than 300m² for a building located inside Nagoya city.

In addition to this system, to guide more effective greening in urban area, Nagoya city has also introduced new system, what we call, "NICE GREEN Nagoya⁴" which is a new

¹ Green area information in this paragraph is provided by Nagoya City, for example the following web site, last accessed in 1 Oct 2010. <http://www.city.nagoya.jp/shisei/category/53-3-3-6-0-0-0-0-0-0-0.html>, (in Japanese)

² The information was obtained by the personal communication with Nagoya city government in the TEEB-D2 Workshop in Nagoya in 20 May 2010 in Nagoya Japan.

³ The detailed information of this system is presented in the following Nagoya city web site, last accessed in 1 Oct 2010, <http://www.city.nagoya.jp/ryokuseidoboku/page/0000008169.html>, (in Japanese)

certification system for green facilities since 2008. There are three level of green facility certificate depending on greening level(fig.1). Projects are awarded a certificate and permission to use the program's logo, according to their ranking. Under the system, sites are graded as fair (one-star), good (two-stars) or excellent (three-stars) based on certain criteria such as the ratio of green area to total area, the ratio of trees compared to other vegetation on the site, preservation of existing trees, the greening of rooftops and walls and efforts to maintain and manage green spaces. NICE GREEN Nagoya is a voluntary program and can be applied for certification by projects without greening obligations and existing green spaces.

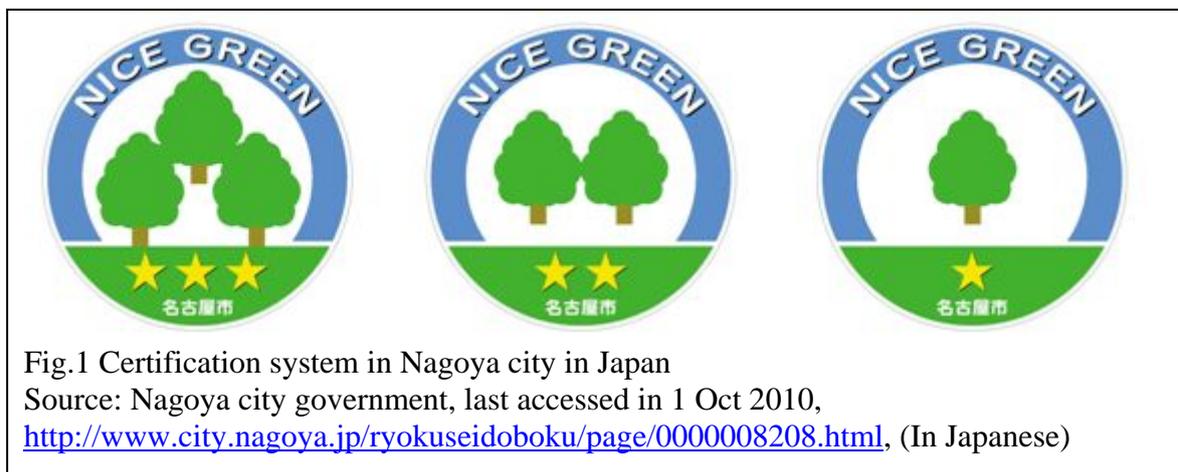


Fig.1 Certification system in Nagoya city in Japan
 Source: Nagoya city government, last accessed in 1 Oct 2010,
<http://www.city.nagoya.jp/ryokuseidoboku/page/0000008208.html>, (In Japanese)

Three or two star facilities can get the 0.1-0.2% discount bank home loan compared to a usual bank rate as a favorable treatment. Five regional banks in Nagoya, namely Aichi Bank, Aichi Shinyoukin Bank, Chukyo Bank, Chunichi Shinkin Bank and Nagoya Bank have agreed to offer a preferred interest rate to land owners satisfy the requirements for higher rankings under the system for housing loans.

Also to facilitate greening in small private facilities, Nagoya city has introduced the “Nagoya City Private Facility Greening Support Program⁵” which aims to do the financial support for private facility holder for greening their facilities. Under this program, land holders can get the financial support, less than 50% from Nagoya city government for equipping roof greening, wall greening, open space greening etc. The budge for this program comes from the Aichi Forest and Greening Tax in Aichi prefecture.

What policy uptake resulted from examining the ecosystem services?

This system is newly introduced and there may be not enough official performance evaluation for this system. One important point for this system is that it employs economic incentive in financial sector for increasing green area. The other point is that it focused on greening private owned land. Privately owned land is difficult to implement effective measures to increase green area. This system is successfully sent incentive for land holders to make their land greening.

⁴ The detailed of this system is presented in the Nagoya city web site, last accessed in 1 Oct 2010, <http://www.city.nagoya.jp/ryokuseidoboku/page/0000008208.html>, (In Japanese). Also the information was obtained by personal communication with Nagoya city government was added to summarize the explanation of this sentence.

⁵ The detailed of this system is presented in the Nagoya city web site, last accessed in 1 Oct 2010, <http://www.city.nagoya.jp/ryokuseidoboku/page/0000008309.html>

Acknowledgement:

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