## Chapter 4 Promoting Regional Revitalization

## Section 1 Approaches to Regional Revitalization

The government recognizes regional revitalization as a key issue and pursues a policy of achieving regional revitalization from cross-ministerial and cross-measure perspectives under a scheme of integrated governance (Integrated Headquarters for Regional Revitalization).

As part of this effort, a fourth international forum was held in Higashi Matsushima City, Miyagi Prefecture in December 2014 to publicize the "Environmental Future City" initiative to the world.

In the work of its designation of six National Strategic Special Zones, including Tokyo, in May 2014 as a breakthrough to bold regulatory reforms, etc., the MLIT now hastens to implement specific projects. In March 2015, local public entities eager to realize regional revitalization through regulatory reforms were named "Regional Revitalization Special Zones."

The Comprehensive Special Zone System offers comprehensive support, such as holding sessions of consultation on preferential measures, etc. for regulations necessary to make approaches taken in the individual Special Zones come true. The Structural Reform Special Zone System introduces regulatory reform in selected regions to propel structural reforms in those regions for regional revitalization. Preferential deregulation measures tailored to regional characteristics, such as an easing of use categorizations in reclaimed land in public waters (measures taken in FY2014) were introduced. Under the regional revitalization program, financial and banking aids have been extended to the voluntary, self-reliant efforts being made by local governments to provide an integrated, effective impetus to the goals of rejuvenating local economies, creating job opportunities locally and so on.

In September 2014, the Headquarters for Overcoming Population Decline and Vitalizing Local Economy was set up to provide integrated governmental solutions to the major issues of rapidly dimishing and fast aging populations facing Japan so that the individual regions will be able to create an autonomous and sustainable society each by leveraging their own characteristics.

In December of the same year, the Headquarters formulated "Overcoming Population Decline and Vitalizing Local Economies: Long-term Vision" to set forth a key recognition of population issues and "Overcoming Population Decline and Vitalizing Local Economies: Comprehensive Strategy" to present policy objectives for the five years to come and basic directions, etc. of the measures to be taken, driving approaches to overcoming the issues of diminishing populations and revitalizing regions across the government ministries and agencies concerned and also across discrete measures.

Because more of the local residents' voices need to be heeded in promoting the endeavors for regional revitalization, the governmental system of consultation has been molded into a one-stop sequence to follow up the endeavors for regional renovation in a fully integrated flow for each regional block. A regional revitalization concierge staffed by governmental workers, etc. and a regional revitalization support program were launched to provide positive impetus to the efforts made by local public entities at the same time.

The MLIT has also been working to impel community revitalization by forming "Small Stations" in hilly and mountainous areas, downsizing regional cities and promoting networked transportation, forging allied core metropolitan areas with multiple municipalities that ally with one another for the sake of integrated advanced urban facilities and better livelihood services and accelerating multi-generation-ready housing and community development linked with comprehensive regional care systems in metroplitan subrubs. In the meantime, the MLIT is also at work, creating tourist areas, securing, fostering and otherwise supporting leaders in the construction, shipbuilding, transportation and other industries underlying regional economies and promoting cohabitation in a sheer manner to keep jobs and people creating positive cycles.

The MLIT has also been driving nationwide urban renaissance, as through the development, etc. of public and publicbenefit facilities in a public-private partnership, as well as urban renaissance aimed at enhancement, etc. urban international competitiveness leveraging private vitalities.

#### Promoting Measures Supporting Regional Revitalization Section 2

## Efforts Directed at Augment Regional and Private Self-reliance and Discretion

#### (1) Expanding and improving on administration on various subsidies

The "Regional Renovation Infrastructures Reinforcement Subsidies" are a cross-ministerial package of subsidies that are granted to help develop functionally similar facilities in clusters in accordance with a regional renovation plan. The package comprises the "Road Development Subsidy" (municipal roads, wide-area agricultural roads or forest roads), the "Sewage Treatment Facility Development Subsidy" (public sewerage, village drainage or septic tanks) and the "Harbor Development Subsidy" (local harbor facilities or Category 1 or 2 fishing port facilities). As of the end of March 2015, 1,870 regional renovation plans were accredited. The "Regional Renovation Infrastructures Reinforcement Subsidies" are used to finance facilities development in the projects based on 1,168 of these regional renovation plans.

#### (2) Supporting local regional revitalization efforts

It also awards "Handmade Hometown Prizes" Note 1 to promote further approaches to individualistic and charming regional planning. In FY2014, 19 ingeniously elaborated projects won prizes (four in the grand prize category, 15 in the general prize category), including regional festivitity creation and hometown development projects. In addition, case studies of tourism town development planning focusing on infrastructures and tourism have been created, and information that is instrumental in regional development planning, such as case studies of successful regional development acvitity, are being disseminated to subscribers to an online email magazine Note 2.

#### (3) Promoting use of know-how and funds originating from private sectors

Excellent private urban redevelopment projects, such as those linked with an urban renaissance and development project undertaken by a local public entity and accredied by the Minister of MLIT are entitled to investment, joint implementation or any other form of support granted from general incorporated foundation Organization for Promoting Urban Development (hereinafter simply called "MINT"). Support is also extended to a residentparticipation community development fund, which subsidizes community development projects carried out with local resident parcipation or the like.

diffusion and promotion of know-how, etc. that is possessed by private associations advanced in the practice of Example of a private urban redevelopment project accredited by the Minister of MLIT Ofunato Spa



In addition, studies are in progress toward the realization of measures aimed at combatting aging expressways in conjunction with urban renaissance activity, using the Tsukiji River and other sections of the Metropolitan Expressways as model cases, on the basis of amendments to the Road Act, etc. in FY2014 that opened the way for usage of upper open

As of the end of FY2014, there are 1,323 subscriptions to the online magazine.

Note 1 A system of official commendation by the Minister of Land, Infrastructure, Transport and Tourism in recognition of satisfactory social infrastructures that create regional charms and individualities and the associated regional activities as a whole. Note 2 Regional Planning Information System - Repis:http://www.mlit.go.jp/sogoseisaku/region/chiiki-joho/index.html

spaces on roads.

Furthermore, the MLIT promotes openness of road spaces to help develop and manage infrastructures in a new initiative for partnership between public and private sectors that is financed by private funds and to create new business opportunities that open urban road spaces to the private sector. One example of such efforts is the amendments made to the Act on Special Measures Concerning Urban Renaissance in FY2011 that introduce exceptions to road occupancy regulations opening a way to create opportunities for festivity and human exchange (such as installing open cafes). Another is the inauguration of a program for strengthening the international competitiveness of the nation's industries and developing sites for international economic activities (such as sponsoring international events) in FY2013 under the Act on National Strategic Special Districts. Also, in FY2014, the "Act for the City Center Vitalization" was amended and an institution for the vitalization of central urban areas was established (such as installing open cafes).

## 2 General Endeavors to Build an Intensive Urban Structure

While regional cities have so far expanded their sphere of urban areas gaining primary impetus from population influx into them, diminishing population now threatens a degradation of the livelihood facilities in the upsized urban areas, with regional economies and vitality decaying. Under these circumstances, it would be esential to promote the concept of "compact" and "networked", which gathers medical, welfare, commercial and other urban facilities at hubs or at livelihood hubs and induce dwelling around these hubs to keep up certain population densities while enhancing networks of public transportation to assure ready access to these hubs in order to let the inhabitants live a healty and comfotable life, maintain economic activities and ensure sustainable urban management.

In larger cities, urban development friendly to elderly people needs to be pushed, as by placing medical care and welfare facilities around their homes on the basis of the concept of a comprehensive regional care system to address rapidly surging aging populations and the associated advances in the demand for medical care and nursing care services. Accelerated community planning with charms and walkability to encourage the outing of elderly people would also be important.

The Amended Act on Special Measures concerning Urban Reconstruction was enforced in August 2014 to proeed with comprehensive implementation of these measures, inaugurating a location rationalization planning system to propel compact community development. The MLIT is committed to supporting the municiplaties in their efforts to downsize their cities and restructure and network public transportation in the surrounding areas while seeking coordination with relevan measures through the medium of the "Compact City Formation Support Team," which is orgnaized of representatives of the government ministries and agencies concerned in its bid to facilitate the implementation of municipal efforts leveraging this system.



# 3 Urban Planning and Infrastructures Development Taking Advantage of Regional Characteristics

#### (1) Emergency development of urban planning roads instrumental in encouraging private investment

The development of urban planning roads is significantly instrumental in facilitating urban reconstruction because it encourages the reconstruction, etc. of roadside buildings. For those routes under construction whose completion is bottlenecked because of only a small lot of land yet to be purchased, the local governments (project implementing entities) announce their pledges to complete the construction within a certain period of time (completion time declaration routes; as of April, 2014, 112 routes were declared by 53 project implementing entities) to speed up the development of the project benefits.

#### (2) Developing transport nodes

Transport nodes, such as railway stations and bus terminals, hold a high degree of convenience and potential as the core of urban reconstruction, because they attract numerous people to use the various kinds of transport facilities that converge upon them.

The MLIT leverages the implementation of transport node improvement projects, urban and regional transport strategy promotion projects, integrated railway station improvement projects, and other projects at the transport nodes, such as the



Shinjuku St. South Exit District, and in the surrounding areas to improve the ease with which passengers transition from one means of transportation to another, to consolidate the urban areas disrupted by railways, to improve station functions, and to streamline urban traffic and augment the functions of these transport nodes.

Further, the MLIT subsidizes the implementation of the Station-Town Partnership Project that is in progress in the Sannomiya Station Front South District (Kobe City), a project based on a comprehensive plan formulated by a conference composed of local governments, railway operators, etc., in order to keep the activity moving efficiently. This project, coupled with a station facility usage promotion project for Hansin Sannomiya Station, aims to renovate the station area in an integrated fashion.

The MLIT also encourages upgrading the station facilities for the general goal of safe and comfortable regional living by building child-support and medical facilities at the premises of existing railway stations. This idea comes from the viewpoint of regional concentration, which brings medicine, work, and living into closer vicinities.

#### (3) Wide-area development of infrastructures to induce firm location

Competition, collaboration and regional buoyancy in East Asia should benefit greatly by inviting and accumulating internationally competitive growing industries in the individual regions. Motivated by this recognition, measures have been promoted to support expanding regional employment and more buoyant economy by concentrating investment on the development of those infrastructures that are truly needed to carry out unique regional approaches, such as developing airports, ports and harbors, railroads and wide-area expressway networks.

#### a. Airport development

Aviation network connecting distant cities at home and abroad are greatly instrumental in revitalizing regional communities, boosting the tourism industry and corporate economic activities. It is expected that the aviation sector plays a key role to boost Japanese economy taking advantage of global economic growth, in particular booming economy in Asia. In an effort to enhance Japan's international competitiveness and regional competitiveness in the hinterlands of the airports, MLIT has been making efforts to enhance airport capacities and relocate or change the internal layout of airport terminal area in order to improve user-friendliness.

#### b. Port and harbor development

Amid globally tight supply-demand balances for resources, energies and so on, assuring Japan of stable, low-cost imports of these substances to build up industrial competitiveness of the nation's industries and to maintain and even create employment and revenues should be one of the tasks of foremost importance as the nation depends on imports for virtually 100% of its requirements. The MLIT seeks to build stable and efficient networks of marine transportation for resources, energies and so on by developing large ship-ready port and harbor facilities as key locations, promoting interbusiness partnership and so on.

#### c. Railway development

The nationwide network of trunk railways is the lifeblood of passenger and freight transport, accelerating interaction between blocks and between regions, encouraging industrial location and activating regional economies to energize regional living. Rail freight transport, in particular, plays a dominant role in moving industrial commodities, etc. that support regional economies.

#### d. Road development

Most newly-built plants are located within 10 km from an expressway interchange in order to promote the efficient logistic flow of products and materials, transportation convenience, and so on. The formation of a new network of trunk highways, such as arterial high-standard highways, is being promoted to strengthen international competitiveness and to further regional independence and industrial growth through accelerating and facilitating logistics.

#### (4) Accelerating the development of transport infrastructures

Regarding the method of determining whether considerations for setting sectional surface rights, etc. relating to projects authorized to use deep underground pursuant to the "Act on Special Measures concerning Public Use of Deep Underground" are to be treated as transfer income or not, the FY2015 tax reform took a measure to have the considerations set according to the vertical range of the sectional surface rights, etc. in which the profit from use is limited, instead of one fourth of the land price. This measure taxes, as transfer income, a certain amount of the considerations for setting sectional surface rights, etc. relevant to the projects that are implemented as integral part of a project accredited under the "Act on Special Measures concerning Public Use of Deep Underground", granting a special credit of 50 million yen, etc. for exchanges on expropriation, etc.

#### (5) Promoting community-conscious projects and programs

#### a. Michi-no-eki (Roadside Station)

Located roadside, a Michi-no-eki is a facility that combines a mix of roadside amenities, including parking spaces and restrooms, sources of information, including highway and regional information, and a forum of regional partnerships, which encourages interaction between a region and users of the roads in that region and between regions. As of March 2015, 1,040 Michi-no-ekis are registered.

Efforts have progressed in recent years to set up *Michi-no-ekis* as hubs of regional revitalization nationwide by attracting many visitors through featuring local specialties and tourist resources, thereby creating regional employment, reactivating economies, and helping improve resident



services. To support these efforts, the priority *Michi-no-eki* system has been inaugurated to select six nationwide model *Michi-no-ekis*, 35 priority *Michi-no-ekis*, and to prioritize 49 *Michi-no-eki* canditates. The MLIT plans to offer prioritized support to them by partnering with the appropriate authorities.

#### b. Promoting river town development

The MLIT is keen to exploit the regional resources, or charms, of rivers, such as scenery, history and culture, that could help revitalize local industries, such as tourism, etc., and the wisdom, or ingenuities, of the locals. It is committed to expediting spatial planning to merge excellent concepts of community development with the waterside, through implementation of the highly practicable plans worked out in conjunction with local governments and local residents to develop and utilize rivers and the waterside.

#### c. Managing rivers with resident participation to suit regional characteristics

Those individuals who possess an expert knowledge of river environments and who are zealous for the idea of good river development are appointed "river environment preservation monitors" to help create and preserve river environments and carry out meticulous activities aimed at ensuring and promoting orderly river usage. "Love river monitors" are also at work, collecting information about river management, such as locating cases of illegal garbage dumping into rivers and detecting flaws in the river facilities, and promoting the philosophy of river preservation.

Further, with the inauguration of a river cooperation organization designation program, the MLIT designates those private organizations, etc. that pursue activities voluntary relevant to the development, maintenance, etc. of river environments as "river cooperation organizations" and legally accredits them as an organization working in conjunction with a river administrator, with a view to promoting their organized voluntary activities and driving diverse modes of river management tailored to specific regional conditions.

#### d. Supporting efforts to take advantage of the regional features of the seaside

The implementation of seaside environment development projects, which formulate seaside usage revitalization plans and develop seaside preservation facilities according to those plans, are supported by granting General Social Infrastructures Development Subsidies to them to revitalize the usage of the seaside and add to its charms as a tourist resource.

Since a seaside cooperation organization designation program was inguruated, the MLIT designates those corporations and associations that are accredited to be capable of voluntarily conducting various activities, such as cleaning and planting seashores for preservation, protecting rare species of animals and plants along the seaside, getting prepared for natural disasters and hosting sessions of environmental education, and implementing proper and positive coastal management, as seaside cooperation organizations to reinforce the ties of collaboration with localities and thus to enhance coastal management to suit regional characteristics.

#### e. Regional promotion built around ports

Those facilities at which continual approaches to regional development are carried on have been accredited and registered as "Minato (Port) Oases" by Regional Development Bureau Director Generals and others to promote community development around the core of ports to help revitalize localities by promoting exchanges of local residents and tourism (as of March 31, 2015, 80 ports).

Diverse events with resident participation taking advantage of regional characteristics and ingenuities are being held at the Minato Oases nationwide, bustling with numerous local residents and tourists.

In addition, the "All Japan Sea-kyu Gourmets Competition," an event featuring local specialty food, held at the "National Council on Minato Oases," an organ aimed at encouraging exchanges, etc. among the administrators of the Minato Oases nationwide ,attracted a large number of participants.

Minato Oases have also been used as a place of serving oceangoing cruise ships in diverse ways to help revitalize localities with the power of oceangoing cruisers on the rise.



#### f. Building centers of marine leisure

The MLIT not only drives the construction of Umi-no-Eki Stations as marine leisure sites that leverage existing port facilities, marinas, Fisharenas (fishing + arena) and the like (as of the end of December 2014, 151 Umi-no-eki available) but also provides support, etc. to diverse, regionally distinctive efforts in progress at Umi-no-eki, such as cruising by rental boats, sale of marine products, a hands-on experience with fishing and sponsoring of events.





#### (6) Promoting the maintenance of cadastral maps positively

Cadastral surveys are conducted by municipal authorities to determine the boundaries, etc. of individual lots of land. Findings help expedite land transactions, private development and infrastructure development, speeds up the workflow of disaster preparedness and restoratin from disasters. The MLIT not only develops public-private boundary information in urban areas and preserves boundary information in mountain villages under direct state control to accelerate cadastral surveys, but promotes the utilization of non-cadastral survey results to push the maintenance of land registers.

The MILT also supports the implementation of cadastral surveys in the regions devastated by the Great East Japan Earthquake in conjunction with restoration and recovery projects, and refurbishes government-private boundary information under the government's direct control in the areas that could be inundated by Nankai Trough Earthquakes once they occur by taking lessens from the Great East Japan Earquake and drives the maintenance of land registers particularly in the areas that could be targeted by massive natural disasters to help develop safe, secure areas.

#### (7) Deep underground utilization

Technological studies on smoother reviews are in progress to facilitate the implementation of highly public projects in the three major metropolitan areas based on the "Act on Special Measures concerning Public Use of Deep Underground." In addition, information about deep underground is exchanged by means of the "Deep Underground Utilization Council" that has been formed of national administrative agencies and prefectures concerned for each of the target areas (Tokyo Metropolitan, Kinki Metropolitan and Chubu Metropolitan Areas).

# 4 Self-Reliance and Revitalization of Wide-Area Blocks, and Formation of National Land

### (1) Self-reliance and revitalization of wide-area blocks

To achieve regional revitalization and sustainable growth, it is important to deploy measures in an integrated manner while drawing out regional wisdom and devices. To this end, the deployment of measures tailored to characteristics of the diverse wide-area blocks has been pursued with a view to shaping a national land in which the wide-area blocks can grow in a self-reliant manner in line with the National Spatial Strategies and Regional Plans. The MLIT also pursues measures to promote the formulation and implementation of strategies by public-private partnership organizations to allow various regional entities to step up the revitalization of their regions by taking advantage of their specific characteristics, to provide governmental aid to these entities and to proceed with community planning by the leaders of a "new standard of publicness."

#### a. Promoting regional self-reliance and revitalization

To implement structural and non-structural mixes of efforts designed to form self-reliant wide-area blocks and to revitalize the regions through buoyant human or material traffic, the MLIT has granted subsidies to 123 plans on the basis of wide-area regional revitalization infrastructures development plans prepared by prefectures. Of these plans, 48 have been worked out by multiple prefectures working in accord and cooperation in a bid to revitalize even wide areas.

## b. Promoting the development of infrastructures for regional revitalization with partnership between the public and private sectors

To facilitate smooth migration of those projects that have been worked out in a partnership between the public and private sectors to contribute to the implementation of wide-area regional strategies for target regions, from the stage of infrastructures development planning into the stage of project implementation smoothly and speedily at the timing of private decision making, a system was inaugurated in FY2011. In FY2014, 27 surveys were supported, including reviews related to the improvement of regional disaster prevention.

#### c. Promoting regional planning with diverse entities interworking

In its bid to further self-supporting, sustainable community development through the interworking of local diverse entities, the MLIT supports efforts to:

(a) gain absolute assessments of the social values of community development activities, and

(b) build a support system with various entities interworking with one another to craft project-type community development activities (regional businesses).

#### (2) Promotion, etc. of regional center formation

a. Developing centers of self-reliant growth of diverse wide-area blocks

The MLIT has promoted development of regional centers as a foothold for the concentration of unique local industrial, cultural and other features in accordance with the "Multi-Polar Patterns National Land Formation Promotion Act." In addition, the development of core cities <sup>Note</sup> as defined in the National Capital Region Development Plan continues, by relocating business facilities and concentrating various other functions in the core cities, helping ease excessive concentration in downtown Tokyo to some extent. The development of core cities will continue further. In addition, the

Note A core city is a city located outside the wards of Tokyo that should serve as the core of a reasonably wide area that surrounds its location. (There are 14 core cities.)

MLIT has driven the construction of Tsukuba Academic City to pursue urban revitalization by taking advantage of an accumulation of science and technology in accordance with the "Act on Construction of Tsukuba Science City." Further, environmentally friendly cities are being built along the Tsukuba Express railroad line by leveraging the characteristics of Tsukuba Science City as the pace of urban development accelerates. The Ceremony of the 50th Anniversary of Founding of the Tsukuba Science City was held in Tsukuba City on November 12, 2013. In the Kinki Metropolitan area, on the other hand, the construction of Kansai Science City is underway to form a new foothold for the deployment of cultural, academic and research activity in accordance with the "Kansai Science City Construction Promotion Act." Further efforts to promote the science city continue in a partnership among the ministries concerned, local governments, economic circles and so on pursuant to the "Basic Policy for the Construction of Kansai Science City" that reflects the "Third Stage Plan." In addition, the MLIT promotes the implementation of a development plan based on the "Act on Development of Osaka Bay Areas" to make a district that is complete with the facilities of a global city, good living amenities and more.

#### b. Promoting "Small Stations" development within a village area

To sustain and rejuvenate depopulated villages, etc. that suffer from a progressively diminishing or aging population, the MLIT drives "Small Stations" development in a multi-village area, such as a elementary school district, by relocating the facilities and functions essential to daily livelihood, such as stores and medical clinics, and the places of regional activities within a walking distance, with access to neighboring villages.

#### c. Reviews of the relocation of the Diet and other organizations

The MLIT aids the Diet in its reviews of the relocation of the Diet and other organizations based on "the Act for Relocation of the Diet and Other Organizations", by conducting surveys on the relocation of the Diet, disseminating information to the nation and so on.

## 5 Promoting Regional Partnerships and Interaction

#### (1) Forming a trunk-line network to support regions

To achieve safe, comfortable travel to the central part of an area that has urban functions, such as medical care and education, the MLIT supports the elimination of bottlenecks by widening existing roads and developing road networks. Furthermore, the development of roads that connect the central area of a municipality to each of its centers, such as public facilities, bridges and so on, is being promoted by implementing municipal merger support road development projects in collaboration with the Ministry of Internal Affairs and Communications.

### (2) Promoting human interaction between cities and farming, mountain and fishing villages

The MLIT implements projects for promoting the revitalization of villages to support the renovation of the existing public facilities, such as closed school buildings, located in handicapped areas (depopulated areas, mountain villages, remote islands, peninsulas and heavy-snowfall areas) to turn them into human interaction facilities, forms axes of human wide-area interaction and partnership through the development of trunk road networks, supplies housing and housing lands to help realize a country life, develops ports and harbors to serve as centers of human interaction and more. It also promotes the creation of new breeds of tourism, such as green tourism, and the activities of "All Right! Nippon Conference" and so on in collaboration with the Ministry of Agriculture, Forestry and Fisheries and other ministries concerned to promote human interaction between cities and farming, mountain and fishing villages.

#### (3) Promoting regional settlement, etc.

Information on the municipalities that implement projects regarding U-, J- and I-turns and settlement in localities, such as mutual interactions between city dwellers and local residents through participation in community planning activities and exposure to agricultural or forestry experiences is being disseminated from a MLIT Website. Information about dual habitation is also being disseminated <sup>Note</sup>.

The MLIT also supports the appropriation of General Social Infrastructures Development Subsidies for the utilization of vacant houses and buildings and disseminates information about the measures taken by local governments in connection with house replacement and dual-area residence, information about nationwide banks of vacant houses and to address the issues of a wide range of regional issues.

#### (4) Introduction of local license plate numbers

In August 2013, the areas in which local license plate numbers are introduced were decided for the second time (10 areas: Morioka, Hiraizumi, Koriyama, Maebashi, Kawaguchi, Koshigaya, Suginami, Setagaya, Kasukabe and Amami) so that the regional names appearing in the license plates can be used as an aid to regional revitalization, etc. License plates carrying the new regional names are scheduled to be released from November, 2014.

## 6 Securing Means of Regional Transport

#### (1) Securing, maintaining and improving means of regional transport

Maintaining day-to-day means of regional transport is of vital importance to the revitalization of regional communities. Out of this recognition, the MLIT supports efforts directed at forming comfortable and safe public transport, as by securing and maintaining community transport, such as regional bus routes and sea and air routes to remote islands, in collaboration with diverse stakeholders and developing facilities that help add to the safety of local railways.



#### (2) Activating regional railroads and supporting safety assurance, etc.

While regional railroads not only support the livelihood of the local residents living along the railroads as a means of their daily transport but also play an important role in providing them with public transport of critical importance in supporting regional interaction between tourist resorts. However, their management is in an extremely tough situation. For this reason, the MLIT supports not only the maintenance, etc. of safety facilities by implementing regional public transport securing, management and improvement projects or offering tax incentives but also the construction, etc. of new stations on those local routes that have high potential needs for railway use by implementing projects designed to activate trunk railways, etc.

#### (3) Subsidizing regional bus routes

Securing and maintaining means of regional public transport, such as public buses, for the benefit of local residents, particularly those with limited access to transport, such as elderly people and schoolchildren, is of critical importance. To help secure and maintain optimal networks of regional transport tailored to specific regional characteristics and conditions, the government has a policy of providing integrated support to the availability of regional transport services (such as interregional bus transport networks) or bus, demand-responsive and other forms of regional transport closely related to trunk transport networks) under a scheme of shared responsibility with local governments. For other routes, relevant financial measures are taken to enable local governments to maintain them at their own discretion.

#### (4) Supporting transport to and from remote islands

To sustain air transportation to remote islands, air carriers extending their air routes to remote islands are granted comprehensive support (budget: airframe purchase grants, operational cost grants, tax and public dues: landing fee alleviation, aviation fuel tax alleviation and so on). Starting from FY2012, airfare discounts for islanders have been subsidized on the air routes eligible for operational cost grants as part of expanding support to transport to and from remote islands.

Remote island sea routes, a vital means of transport to support islanders' daily living, are now extremely tough to economically manage. The running costs of those sea routes that are anticipated in the red and for which no alternative routes are available are subsidized by regional public transport securing, management and improvement projects. In addition, discounted passenger fares for islanders have been subsidized and port and harbor facilities developed to close gaps from other regions and to add to the convenience of the islanders' lives.

In FY2014, 55 remote island air routes were in service, when compared with 285 sea routes available at the end of FY2013 (120 of which are grant-maintained air routes).

## Section 3 Promoting the Private Urban Development

### Promoting Urban Development by Private Sectors

## (1) Promoting urban development by private sectors based on the Specific Urban Reconstruction Emergency Development Area program

While rapidly growing Asian nations have resulted in a proportionate decline in Japan's international competitiveness, it has become an essential task to provide a powerful boost to the development of the urban areas in the nation's major cities, a source of impetus to the national growth, in a partnership between the public and private sectors to turn them into attractive urban centers that lure businesses, human resources and more from overseas. To this end, the MLIT singled out 11 areas nationwide as "Specific Urban Reconstruction Emergency Development Areas" in January 2012 to enhance urban international competitiveness. In nine of them (as of the end of March, 2015), development plans were formulated by councils formed in a partnership between the public and private sector.

In Specific Urban Reconstruction Emergency Development Areas, the MLIT supports urban development by private sectors by deregulating the private use of untapped sewage energy sources and the use of road airspaces, offering tax

Note Broad-area trunk bus routes whose maintenance has been justified at a conference and that meets government-established criteria (spanning multiple municipalities, with at least three runs of service a day).

incentives and so on, in addition to the support measures already available to an Urban Reconstruction Emergency Development Area. The International Competition Base City Development Project has also been launched to provide prioritized, concentrated support to the development of urban center infrastructures in accordance with development plans.

In FY2014, financial support (mezzanine support services <sup>Note</sup>) that is extended by MINT (Organization for Promoting Urban Development) to private projects that develop functionalities for augmeting the international centripetal force of foreign language-ready medical care facilities and the like was enhanced to support the formation of global business and livig



environments. At the same time, "Project Supporting the Improvement of International Business Environments, etc. and City Sales" was inaugurated to provide comprehensive support, in terms of both non-structural and structural measures, to the betterment to urban facilities that make for better international business environments, etc. and to city sales.

As of the end of March 2015, a total of 62 Urban Reconstruction Emergency Development Areas were registered in government-ordinance-designated cities and prefectural capitals, including Tokyo and Osaka, hosting a variety of urban development projects by private sectors in steady progress. Mezzanine support services supporting the procurement of middle-risk funds are carried out by MINT.

#### (2) Status of application of the measures to support urban reconstruction projects

#### a. Zoning for Special Urban Reconstruction Districts

A Special Urban Reconstruction District is a new concept of urban district, with greater latitude of zoning, that is exempt from existing zoning restrictions. A total of 73 Special Urban Reconstruction Districts were zoned as of the end of March 2015, 50 of which had been proposed by private entrepreneurs, etc.

#### b. Accreditation of private urban reconstruction project plan

Private urban reconstruction project plans accredited by the Minister of Land, Infrastructure, Transport and Tourism (74 plans as of the end of March 2015) are financially supported by the Organization for Promoting Urban Development or granted tax incentives.

#### (3) Promoting the formation of larger blocks

Since many of the central areas of Japan's major cities have been organized into blocks through the implementation of postwar reconstruction land adjustment projects, etc., the scales of these blocks, with the structure of the local streets, are not fully responsive to the prevailing needs, etc. for land usage, transport infrastructures and disaster preparedness. To reinforce the international competitiveness of the big cities, revitalize local cities and seek advanced and effective land usage to fill present-day needs, the MLIT promotes the aggregation of land that has been segmented into multiple blocks, the consolidated usage of sites and restructuring of public facilities in accordance with Guidelines for Formation of Larger Blocks and also with Working Reference on Utilization of Larger Blocks for Promoting Community planning.

Note A mezzanine support service is defined as "Among all services that involve the development of public facilities with environmentally friendly architectural structures and sites, those that are accredited by the Minister of Land, Infrastructure, Transport and Tourism and that are entitled to the procurement of a middle-risk fund (such as a loan granted with an option to leave principal and interest subordinated) by MINT are defined as "mezzanine support services."

## 2 Approaching National Strategic Special Districts

Since the Act on National Strategic Special Districts came into effect in December 2013, the MLIT has been committed to comprehensively and intensively driving drastic regulatory reforms and other measures, including special measures under the Building Standards Act, Road Act and City Planning Act, to target the projects that are pursued by the national and local governments and private sectors working in a united effort in a state-designated National Strategic Special District. In the six zones designated in May 2014 (Tokyo Zone, Kansai Zone, Niigata City, Yabu City, Fukuoka City, Okinawa Prefecture), zonal meetings have been launched in sequence to accredit zonal plans encompassing special measures, etc. for the Road Act and the City Planning Act in the Tokyo Zone and those for the Road Act in Fukuoka City, for example.

## Section 4 Promoting Localized Promotion Measures

## Measures Directed at Heavy Snowfall Areas

The MLIT not only promotes the availability of transport and the development of the living environment and national land management facilities under the "Act on Special Measures concerning Countermeasures for Heavy Snowfall Areas" but also conducts surveys for safe, comfortable community planning. As of April 2014, 532 municipalities were specified as heavy-snowfall areas (201 of which were designated as special heavy-snowfall areas).

## 2 Promoting Remote Islands Development

The MLIT is supporting remote islands development pursuant to the remote islands development plans formulated by the prefectures in accordance with the Remote Islands Development Act not only by appropriating lump-sum budgets for the implementation of public works projects, but also extending "Remote Islands Rejuvenation Grants," to encourage settlement in remote islands, as by fostering industries and increasing employment, accelerating the scope of exchanges, as by promoting tourism, improve and consolidate safe and secure settlement conditions and so on.

## 3 Promoting and Developing the Amami Islands and Ogasawara Islands

In addition to continuing with the development, etc. of social infrastructures through implementation of promotion and development projects, etc. based on the Act on Special Measures for Promotion and Development of the Amami Islands and Act on Special Measures for Promotion and Development of the Ogasawara Islands extended and amended in April 2014, the MLIT leverages newly founded grants, etc. to assist with regional efforts directed at boosting employment and encouraging settlement by promoting tourism, agricultural and other industries suited to regional characteristics in pursuit of more self-supporting, more sustainable growth.

## Promoting Peninsulas

The MLIT supports development of peninsular loop roads, etc. and the promotion, etc. of industries in the peninsular areas under development (as of April 2014, 23 areas spanning 194 municipalities in 22 prefectures) based on the peninsular areas development plans prepared by municipalities in accordance with the "Peninsular Areas Development Act."

The MILT is also committed to conducting surveys, such as those for collecting information necessary to enforce the Peninsular Areas Development Act, and empirical surveys with regard to efforts directed at regional revitalization within the peninsular areas and implementing model survey projects as for industrial development and other activities involving collaboration among various entities. On March 31, 2015, amendments to the Act that stretch its date of expiration and made enhancements to its content came into effect as a law-maker initiated legistration to proceed further with peninsular areas development.

## Section 5 Promoting Comprehensive Development of Hokkaido

## 1 Promoting the Hokkaido Comprehensive Development Plan

#### (1) Initiatives Taken for the Revision of Hokkaido Comprehensive Development Plan

Japan has pursued an active policy of developing Hokkaido to help resolve the problems facing the nation and to achieve powerful regional growth by taking advantage of the excellent resources and characteristics of Hokkaido.

As part of its continuing effort to push the implementation of various measures pursuant to the seventh phase of the New Hokkaido General Development Plan to User in the Era of the Global Environment (decided at a July 2008 Cabinet Council meeting), the MILT decided to embark on the formulation of a new plan by leveraging discussions at the Advisory Panel of Experts on Future Prospects of Hokkaido Development (publicized in December 2014) in response to changing conditions since, such as the start of work to make amendments to the National Land Formation Plan and the approval of the National Resilience Basic Plan at a Cabinet Council meeting. Intensive surveys and discussions are now underway at a planning panel founded under the Hokkaido Development Subcommittee, National Land Development Council in January 2015.

#### (2) Working to realize the Plan

#### a. Strengthening the total food supply capacities

To strengthen the food supply capacities of Hokkaido that command 25% of the nation's farmland area, the farmland in Hokkaido has been consolidated in larger lots, etc. to augment the productive capacities. The MLIT also supports efforts to create higher added values through the implementation of more advanced expertise of quality control, collaboration with tourism and so on. In addition, the MLIT promotes the development of the infrastructures relevant to tougher logistics. Approaches to fostering food industries include the construction of HOP (Hokkaido export Platform) to facilitate direct, stable export of Hokkaido-made products.

#### b. Creating internationally competitive, appealing tourist sites

Efforts are underway to improve the tourist reception environment in Hokkaido by trimming travel time and easing round-trips through infrastructures development, working on the Scenic Byway Hokkaido campaign and so on to take advantage of the potentials of Hokkaido with its appealing tourist resources, such as scenic beauty and food. In September 2014, a fam trip (invitation tours) was conducted to promote cycling tourism. Regional efforts aimed at promoting Hokkaido as a host to international conventions of conferences (MIC) in Hokkaido are also supported.

## c. Forming a sustainable regional community that lives symbiotically with the nature

The MLIT has driven the conservation and regeneration of moorland environments, the construction of breakwaters conscious of the habitat of aquatic organisms, purification of rivers and lakes and so on to help form a community that A scene of a fam trip in Tokachi in which Taiwanese bicycle industrialists were invited.



lives together with the rich nature of Hokkaido. Efforts to promote the utilization of renewable energy sources have been developed in different parts of Japan, including the opening of a symposium in November 2014 aimed at realizing a hydrogen society.

#### d. Enhanced network and mobility to support internal and external interactions

To achieve the three strategic goals of the Hokkaido Comprehensive Development Plan, the MLIT has driven the development of key transport infrastructures, such as high-standard highways, airports and harbors, the reinforcement of logistic network facilities, etc. effectively in collaboration with various entities. The MLIT also carries on active efforts to add to the safety and reliability of winter-time transportation.

#### e. Building a safe, secure land

Japan has recently been hit by a chain of major natural disasters, including the Great East Japan Earthquake. Hokkaido, too, has suffered heavy snowfalls, severe snowstorms, landslide disasters and wind and flood damages in FY2014 and posing many issues to be solved to be able to form a safe, secure regional community. Hence, the MLIT has promoted disaster preparedness efforts in conjunction with local governments, residents, etc. to make social infrastructures immune to earthquakes, dispatch TEC-FORCE (Technical Emergency Control Force), take integrated packages of flood control and landslide control measures, build reliable networks of roads, reinforce crisis management systems and so on. In addition, since concerns over aging facilities and their maintenance and management continue to loom, the MILT is also pushing relevant approaches, such as those aimed at creating maintenance cycles.

## **Column** Realizing a Hydrogen Society in Hokkaido

Hydrogen grabs growing attention for its possible role in transport and community development as a secondary energy that makes effective use of the potentials of the renewable energy sources occurring in abundance in Hokkaido to ensure a stable supply of energy, an issue of keen concern to our entire nation, and help resolve global warming issues.

On November 20, 2014, therefore, a public sympdium titled "Towards Realization of a Hydrogen Society in Hokkaido" was held in Sapporo City under the sponsorship of the Hokkaido Regional Development Bureau and others with a view to sharing thoughts on approaches to realizing a hydrogen society in Hokkaido, with an attendance of about 300.

The sympodium featured a speech by Mr. Hiroshi Saeki, professor emeritus at Hokkaido University, and panel discussions among representatives of the industry, academia and government.

The speech emphasized an absolute need for measures to combat global warming in order to build a sustainable society and stated, among other things, that, if fossils can be subsituted for by renewable eengy sources available in Hokkaido and hydrogen, then the resultant intra-regional flow of money that would otherwise be paid to overseas to purchase fossil fuels could stir the development of regional economiles.

The panel discussions were coordinated by Mr. Takemi Chikahisa, professor at Hokkaido University Graduate School with representatives of the enterprises connected with hydrogen, such as Iwatani

Gasnetwork Corporation, Toshiba Corporation and Toyota Motor Corporation, joining as panelers. The panel discussed the feasibilities of commercializing renewable energy-derived hydrogen in Hokkaido, its hopes for creating new industries and employment, the contribution of a supply of renewable energyderived hydrogen to a sustainable society and so on, and called for continuous approaches to be taken to achieve these goals from long-range perspectives, with expectations placed on the administrative authorities for steering the approaches.

The MLIT is committed to moving ahead with



Source) MLIT

approaches towards hydrogen-based community development in Hokkaido, such as exchanging views among the industry, academia and government and holding symposiums to support regional efforts.

## 2 Promoting Distinctive Regions and Cultures

#### (1) Promoting the regions neighboring the Northern Territories

The MLIT has driven the implementation of those measures necessary to promote the regions neighboring the Northern Territories in which the desirable growth of a local community has been impeded because of pending territorial issues and to stabilize the living of the local residents in these regions in an integrated manner. More specifically, the MLIT pursues a mix of structural and non-structural measures necessary to take advantage of the structural measures to build appealing regional communities in these neighboring regions pursuant to the Seventh Northern Territories Neighboring Regions Promotion Plan (FY2013 to FY2017), including the promotion of agricultural and fishery industries, development of transportation systems, implementation of public-works projects designed to preserve the national land, etc. supporting the implementation of non-structural measures with funding from grants for the expenditures for promoting project implementations, such as Northern Territory neighboring region revitalization.

#### (2) Promoting the Ainu Culture, etc.

The concepts of the tradition and culture of the Ainu, a source of the pride the Ainu people take, are being disseminated pursuant to the "Act on the Promotion of Ainu Culture, and Dissemination and Enlightenment of Knowledge about Ainu Tradition, etc."

As part of this endeavor, campaigns have been staged to arouse further interest in Ainu culture among more people nationwide and Hokkaido using "i ran karap te," an Ainu greeting meaning "how are you," as a keyword to entertanment in Hokkaido.

Supporting efforts are also underway, such as exploring action programs, as for hands-on exchanges, relating to the tradition, etc. of the Ainu in a "space symbolic of ethnic harmony," on the basis of the "Basic Policy on the Development, Management and Administration of a 'Space Symbolic of Ethnic Harmony' for Promoting the

A publicity campaign at "Tourism EXPO Japan" (Tokyo Big Sight)



Source) MLIT

Restoration, etc. of Ainu Culture" (decided at a June 13, 2014 Cabinet Council meeting) and others.