# Part II Trends in MLIT Administration

## Chapter 1: New MLIT Policies accommodate the Needs of the Times

## [Result-oriented policy initiative]

OImplementing policies based on performance

MLIT implements its policies based on its performance that has been assessed in their plan-do-see-cycle. With regard to the indicators identified in the Priority Plan for Social Infrastructure Development, MLIT has conducted follow-ups, announced their findings, and reflected them in its budgetary request.

OPromoting policy assessment and strict implementation of project evaluation

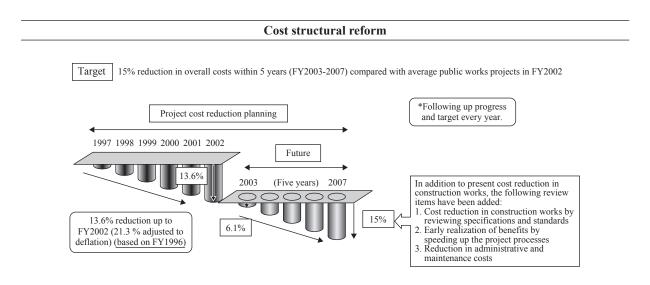
Under its policy evaluation basic plan, MLIT implements policy assessment (ex ante valuation), policy checkup (performance measurement), and policy review (program evaluation).

The project evaluation system for individual public works projects is already in place that integrates evaluation at project approval, reevaluation, and ex-post evaluation after project completion. From FY2004 onward, MLIT maintains and releases project evaluation records that describe the results of a series of evaluations.

## [Efficiency and competitiveness-oriented policy initiative]

OPromoting reform of the cost structure of public works projects

MLIT is reviewing the whole processes of public works projects in terms of cost reduction under the ministry's "program of cost structural reform on public works projects." This review is aimed at speeding up the project processes, optimizing the all processes from planning to maintenance, including procurement, in addition to present cost reduction policies. MLIT reduced the total costs by 6.1% in FY2003 over the previous year.



OEnsuring appropriate biddings and contracts

MLIT has taken a number of steps regarding public works projects under the direct control, including: the adoption of the integrated evaluation bidding system; full-fledged introduction of competitive bidding that places a high value on construction performance; and the establishment of measures designed to streamline the public purchase process under the "MLIT plan for greater efficiency in public service delivery." The ministry has also prodded local governments to take steps to ensure appropriate biddings and contracts.

OMaking better use of the existing infrastructure stock

MLIT is committed to making better use of the existing infrastructure stock for better service delivery. For more efficient and effective management of such stock, the ministry promotes the use of an integrated assess management approach.

<Examples of the effective use of the existing infrastructure stock>

OPromoting ETC on the Tokyo Metropolitan Expressway to alleviate congestion

For example, the introduction of the electronic toll collection (ETC) system at tollgates on the Tokyo Metropolitan Expressway reduced traffic congestion by 70% in two years.

(ETC utilization rate: 4.8% Congestion: 123.4 kilometer-hours/day [November 2002])

 $\rightarrow$  (ETC utilization rate: 28.1% Congestion: 33.4 kilometer-hours/day [November 2004])

OMLIT focused on improving both the maintenance and operation of all government buildings and the repairs to rehabilitate or even improve the function of those buildings, in order to achieve a longer life of the existing buildings and to reduce costs in the life cycle.

OMLIT promoted the formation of broad-based railway networks through: the extension of existing lines; construction of short-distance lines that connect existing lines; and improvement of existing train stations for through services between different lines.

OStreamlining administrative procedures

MLIT promoted the introduction of a system that makes it possible to submit applications on-lines to government agencies, the adoption of a one-stop service system for procedures regarding import and export, port use, car ownership, and the introduction of unified standards for government buildings service.

#### OReform of quasi-governmental corporations

As part of reform efforts, new entities were established during 2004, including: Tokyo Metro Co., Ltd; Narita International Airport Corporation; Urban Renaissance Agency; and the Fund for the Promotion and Development of the Amami Islands. The ministry is steadily working toward the privatization of the four highway-related public corporations slated for October 2005. The government has already submitted to the Diet a set of bills designed to replace in April 2007 the Government Housing Loan Corporation with a new independent administrative institution that will also provide securitization support services.

# [New partnership between the central government on one hand and local governments and the private sector on the other]

ONew partnership between the central and local governments

The central government is pressing ahead with reform that will lead to the transfer of tax revenue sources to local governments. MLIT, for its part, has been reviewing state subsidies so that local governments can enjoy more autonomy. The ministry is also phasing in flexible standards that allow for local governments to make appropriate choices in light of local realities (introduction of local rules). In July 2004, MLIT put together the Priority Policies for Social Infrastructure Development in regional blocks.

OUtilization of the private sector's creativity and ingenuity

MLIT is committed to promoting the private finance initiative (PFI). As of December 2004, a total of 33 MLITrelated PFI projects were in the works. In addition, the ministry is promoting special zones for structural reform. MLIT allowed five regulatory exceptions, which were originally applied in such zones, to be applied nationwide.

#### OProviding more open and interactive services

In implementing infrastructure development, it is important to win the understanding and support of local communities. To that end, MLIT has formulated the "guidelines on public involvement procedures in the planning phase of public works projects under MLIT jurisdiction." These procedures were implemented in a total of 56 projects by the end of December 2004.

In July 2004, the ministry opened the MLIT Hotline Station, a single point of contact for requests, comments and inquiries from all walks of life. The idea was to ensure that the ministry respond to such input and reflect it in its service delivery.

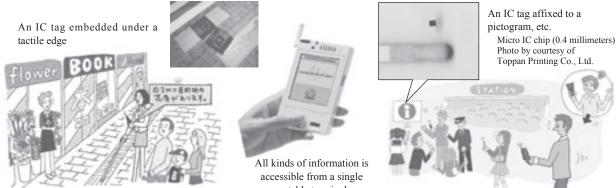
#### [Developing MLIT policies based on the concept of universal design]

Given the rapidly aging society with a declining birthrate in addition to globalization, the concept of universal design-flexible and ease-to-use design for anyone, anywhere-is important more than ever. MLIT considers it necessary to build on its traditional barrier-free policies and put the concept into practice in city planning and transport design. In fact, the ministry is already undertaking a wide-ranging review of all aspects of MLIT administration with a view to developing an integrated policy based on this concept.

MLIT is also working on the "independent mobility assistance project." The purpose of this pilot project is to demonstrate a system that allows "anyone, anytime, anywhere" to gain access to such information as travel routes, means of transportation, and destinations. The system is designed to provide the mobility impaired and others with better access to opportunities for social participation and employment.

#### <Independent mobility assistance project>

A special portable terminal reads location information from IC tags embedded in pavements and signposts and then provides the user with such information as travel routes, means of transportation, and destinations in the form best suits his or her needs.



The user learns the accurate location of the destination by way of voice guidance or vibration.

portable terminal.

Means of transportation, locations and other information are available in several languages.