

Part 2. Trends in Administration of MLIT

Chapter 1. System and Policy Reforms in Administration of MLIT

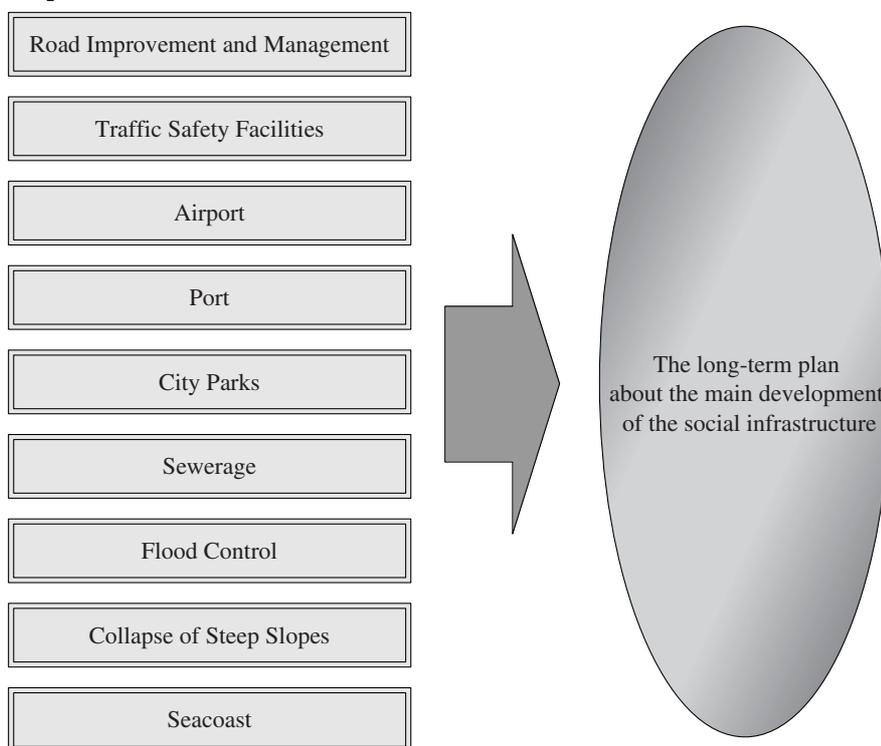
[ Review Long-term public works plans ]

In order to increase prioritization and efficiency and tie among different projects, we enact laws through integration of long-term public works plans, shifting a focus of plans from expenditure of projects to outcome, and reviewing systems based on laws for emergency measures.

79. (Integration of long-term public works plans)

【Former Long-term public plans】

[ For FY 2002, 2003 ]



[ Reform of Public Works ]

Comprehensive project evaluation

In order to improve the objectivity and transparency of decision-making process in public works, we introduce an integrated evaluation system from ex ante evaluation to ex post evaluation and an easier-to-understand evaluation, and improve accountability.

Reform of Cost Structure

In addition to present cost reduction policies, we advance reform of cost structure in public works through shortening of project periods, optimizing design and optimizing purchasing and aim to reduce total costs by 15% over the 5 years from FY2003.

Improving Efficiency

We improve efficiency through effective utilization of existing stocks, proper maintenance and renewal, strategic combinations of measures both in hardware and software, ties among different projects, cooperation with private sector such as local residence, NPO, etc, unification of government buildings standards and thorough proper tendering and contracting.

**Promoting PFI**

We are actively promoting to introduce the PFI System in its own fields, from the viewpoint of the efficient and effective provision of social infrastructure and high-quality public services through the full use of private capital, managerial skills and technical expertise.

**Promotion of Citizen Participation**

In order to make public works clear and promote participation of citizen from the conceptual and planning stages, we promote communication-oriented administration through preparation of guidelines for PI (Public Involvement) concerning prior explanatory meetings and public hearings.

**Review the road-related earmarked taxes**

In regard to the road-related earmarked taxes, the application of the provisional tax rate will be continued for the following five years. We invest the revenue in road and road-related projects with tax payers' understanding and consent, based on the relation of benefits and burden.

**Reform of State Subsidies**

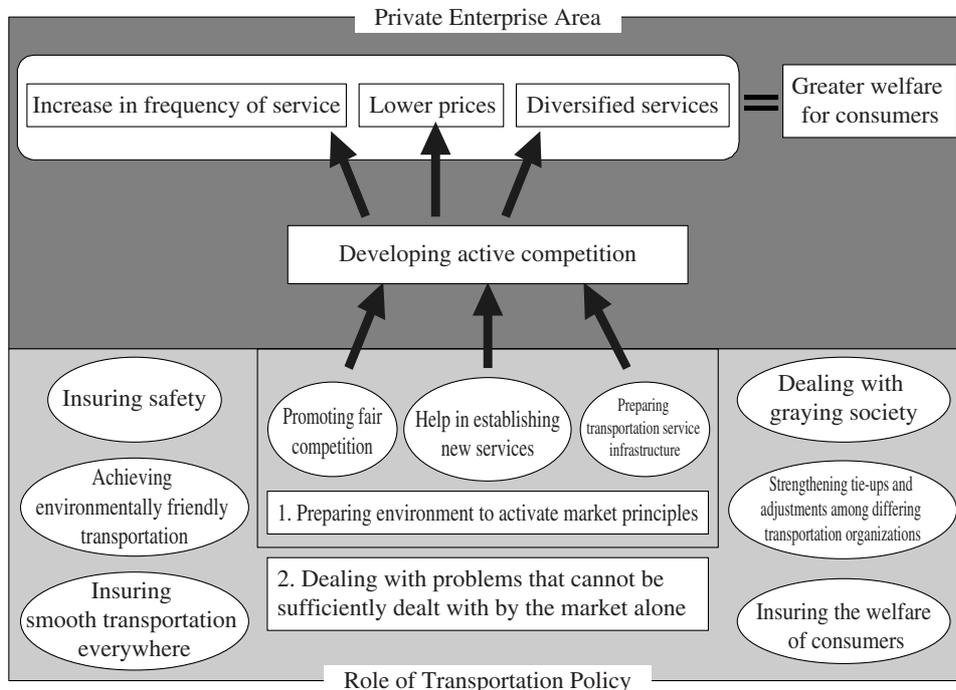
From the view of selecting projects with higher policy effects, we are working on reviews of state subsidies, including a reduction and an abolition of them. As part of this effort, we are expanding scopes of projects subject to "Integrated Subsidies".

**[ Transportation Policy Reform ]**

In order to improve transportation services through active competition among operators, we are making gradual progress in deregulation, such as ending supply and demand adjustment controls. As we grasp accurately the effects of deregulation and get a fix on them, we will tackle preparations for an appropriate competitive environment. In regard to problems that cannot be solved by market principles, such as safety and environmental concerns, we will take appropriate transportation policy measures.

Also, we are carrying out organizational and operational reforms of district transportation bureaus for integrated development of a 21<sup>st</sup> century transportation policy.

**80. The Role of Government in 21st Century Transportation Policy**



**[ Special public institution reform, etc ]**

We arrange to establish new institutions based on those nine laws concerning special public institutions which were passed in the 155th session of the Diet. We have steadily actualized the content of the Reorganization and Rationalization Plan for Special public Institutions (Cabinet decision of December, 2001) and take active measures about road and airport institutions based on Reform of the Four Highway-related Public Corporations, International Hub Airports and Policy-based Finance Institution (Cabinet decision of December, 2002).

Also, Government Policy Evaluation Act was enforced, and we promote policy evaluation based on the MLIT Policy Evaluation Basic Plan.

We aim to systematize national land plans such as Comprehensive National Development Plan to a national land planning system that puts emphasis on “ regional initiatives ” and “ widearea blocks ”.