

EROPA Tokyo Conference 2013

Expansion of Environmental Business throughout Asia by Intercity Cooperation



Kitakyushu Asian Center for Low Carbon Society

I Quest for a Leading Runner of an Environment-friendly City

City located near to other Asian nations, rich in nature, and developed as a manufacturing area



Population: 977,000 (2010)
 Area: 487.88 Km²
 GDP: 3,430 billion yen (2010)

Rich nature and branded food materials



Karst Plateau Hiraodai



Wakamatsuhoku Beach



Ouma Bamboo Shoots



Kanmon Straits Octopuses



Kokura Beef



Buzen-Sea Oysters

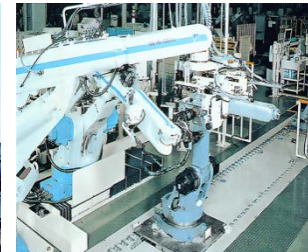


Wakamatsu Special Tomatoes

Major companies in Kitakyushu area



Nippon Steel Corporation



Yasukawa Electric Corporation



TOTO Ltd.



Mitsubishi Chemical Corporation

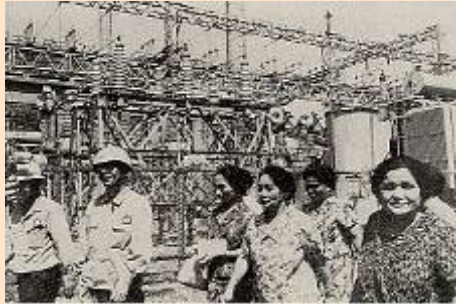


Toyota Motor Corporation · Nissan Motor Co., Ltd.



Mitsubishi Materials Corporation

Regional resources (Experience with overcoming pollution problems) (1)



Company visit by citizens

Citizens

Partnership

Government

Companies



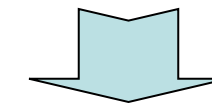
Reinforcement of restrictions and supervision



Agreement to prevent pollution

Kitakyushu City with recovered environments

1960s



Present



Solution of pollution problems is a starting point for international cooperation on environmental issues.

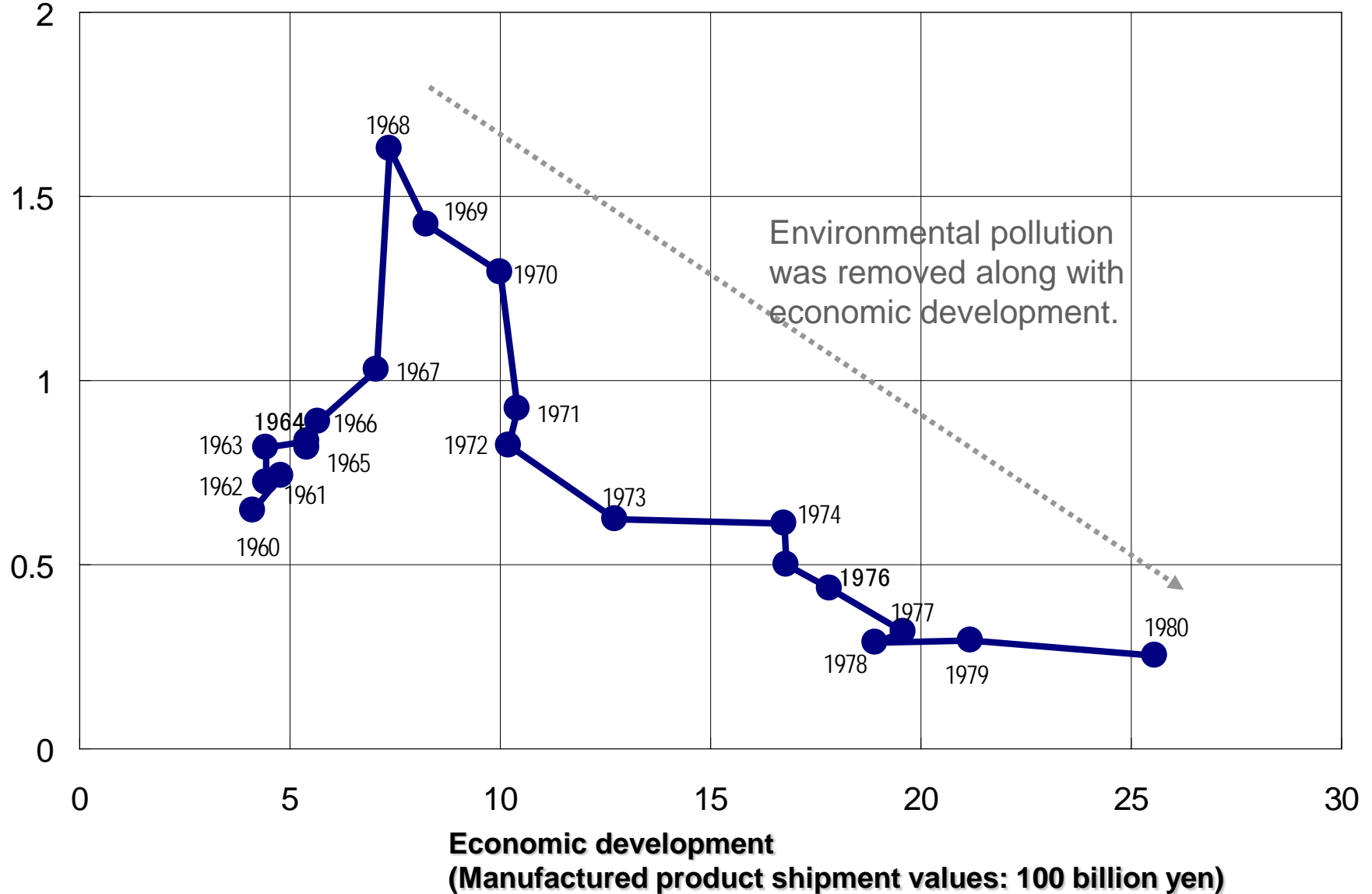
Transferring the experience of overcoming pollution problems so that developing nations need not repeat the same mistake



Balance of environmental policies and economic policies in Kitakyushu City

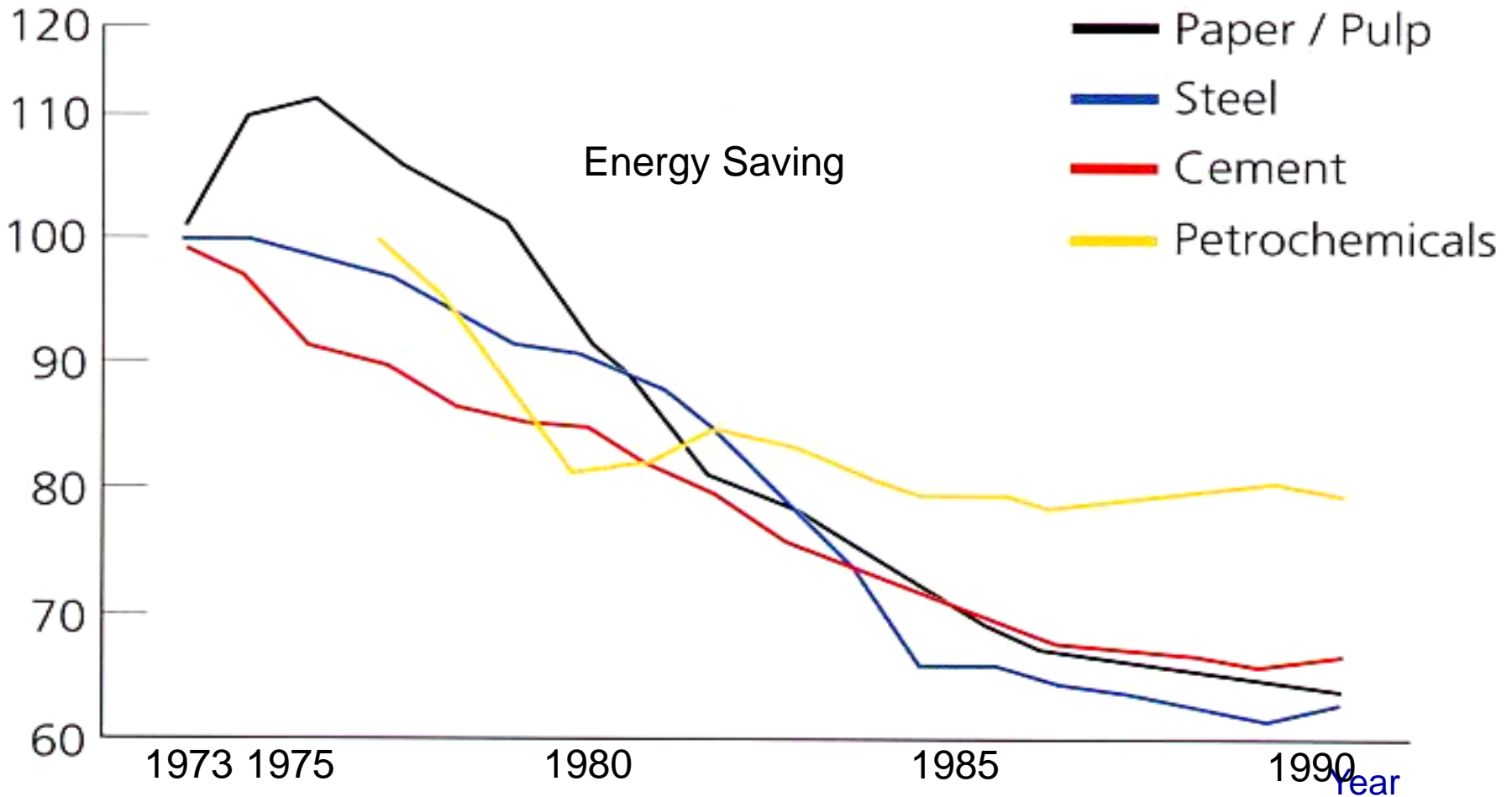
Environmental pollution (Sulfur oxides)
(mg-SO₃/100 cm²/day)

Source: "Survey on the Japanese Experience" by the World Bank



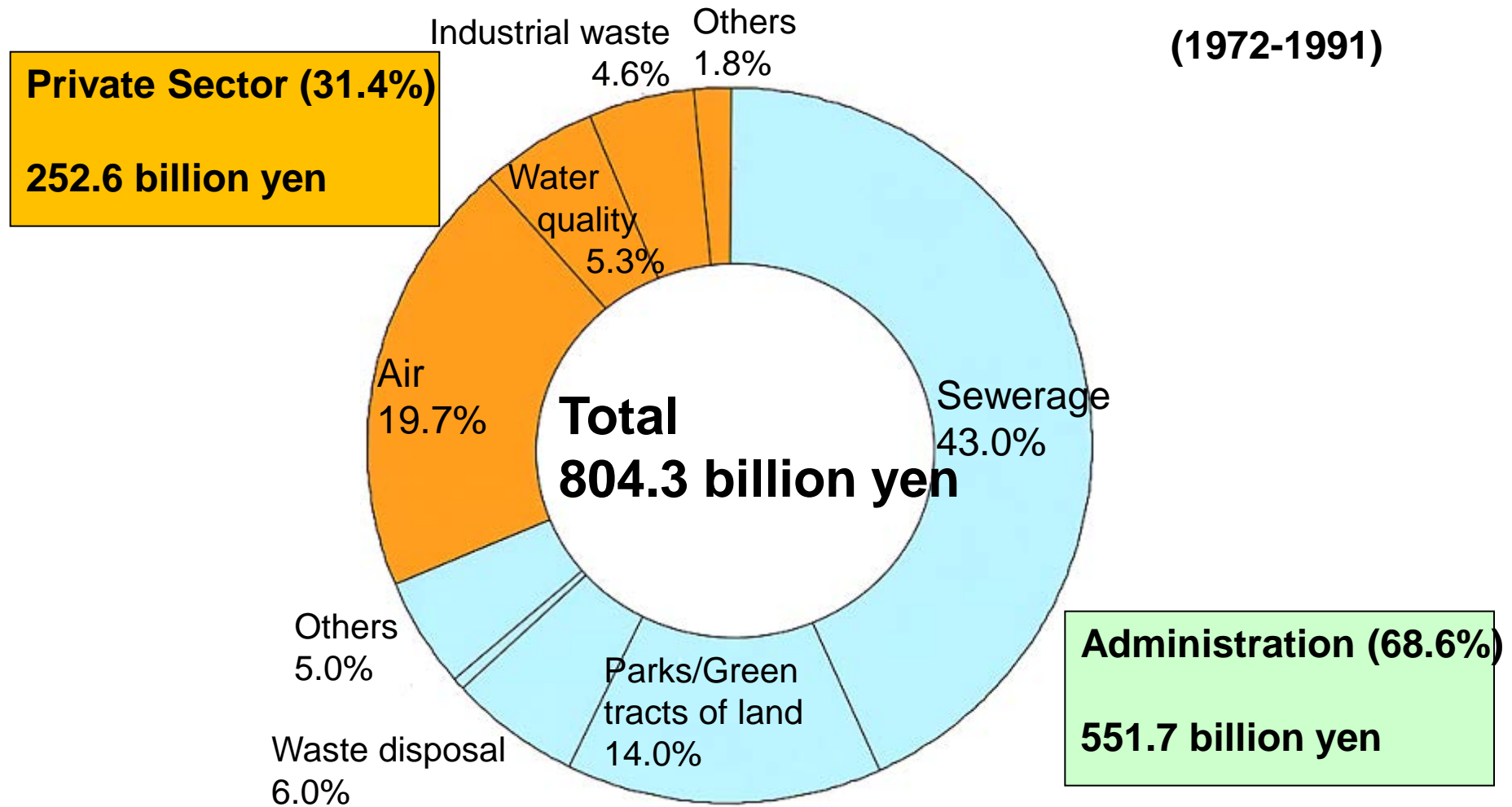
Activities of Industrial Sector : Cleaner Production

Energy Consumption per Unit of Production



Saving Energy in Industrial Sector in Kitakyushu

Expenses spent by the City of Kitakyushu for measures against environmental pollution



Regional resources (Development of international cooperation on environmental issues) (2)

Partnership with other Asian nations for mutual prosperity

Accepted trainees: 7,059 persons from 146 nations; Dispatched specialists: 166 persons to 25 nations
 Promotion of cooperation networking between Asian cities and environmental improvement projects



UN ESCAP Ministerial Conference on Environment and Development (2000)

Kitakyushu Initiative Network (62 cities in 18 nations)



Contribution to environmental improvements in Dalian, China
 (Dalian City received the Global 500 Award in 2001.)



Exchanged memorandum for cooperation on eco-town with Tianjin City
 (At the Prime Minister's official residence)



Water supply project at Phnom Penh



Air pollution survey in Mongolia

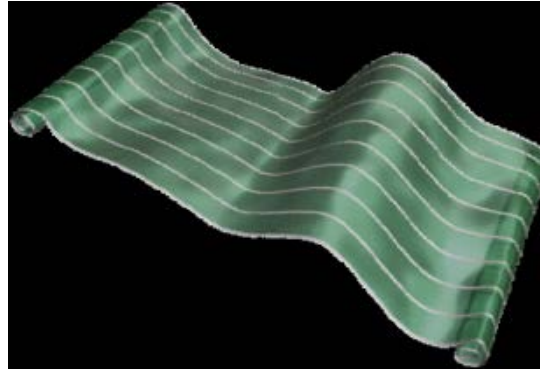


Driving forward the waste composting project with Surabaya City, Indonesia
 (Adopted by over 20,000 families)

Regional resources (Excellent environmental technologies and social system) (3)



Electric Power Development Co., Ltd.
Coal gasification technology (EAGLE)



Mitsubishi Chemical Corporation
Thin organic photovoltaic panels



Yasukawa Electric Corporation
Energy-saving inverters



TOTO Ltd.
Solid oxide fuel cells (SOFC)

Kitakyushu Eco-Town



Automobile recycling



Home appliance recycling

Water Plaza Kitakyushu

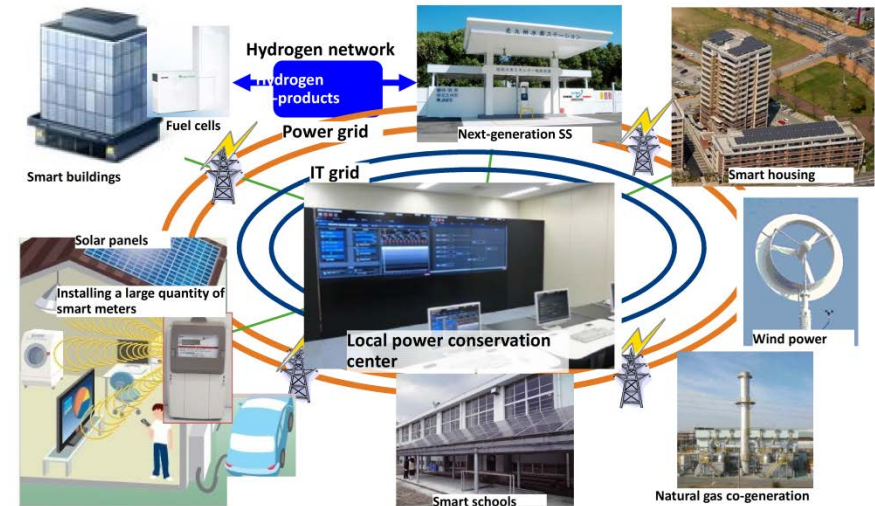


Sewage water membrane treatment system



Seawater desalination system

Kitakyushu Smart Community Development Project



City of Kitakyushu's Environmental Policy ~Green Frontier~

1901

Government-run **Yawata Steel Works** We have developed as an **Industrial City**

Industrial Wastewater **Exhaust Emission**



1950

Aggravation of Pollution Problems

Women's Movement against Environmental Pollution



1960's

City Government

Organizational Arrangement, Ordinance, and Pollution Control Agreement with Companies

Private Enterprise

Cleaner Production
Improvement of Production Process
Treatment of Pollutant, Tree Planting



Pollution Control Policy

Overcoming Environmental Pollution

1980's

Establishment of "KITA" (1980)



KITA: Kitakyushu International Techno-cooperative Association

Local Diplomacy Policy

Environmental International Cooperation (1988~)

Agenda 21 Kitakyushu (1996)

Kitakyushu Eco-Town(1998)
Environmental Preservation and Industrial Promotion



Resource-Circulating Society Policy

Reduction of Domestic Waste by Introducing New System and Citizen Participation (First one at Designated Cities)

2002

Sustainable Society Policy

Decision of Establishing PCB Treatment Facility (2001)

Johannesburg Summit (2002) identified **Kitakyushu Initiative for a Clean Environment**



2008

Low Carbon Society Policy

Grand design on **World Capital of Sustainable Development (2004)**

Implementation and Evaluation of Practical Activities



Eco-Model City
Green Frontier plan(2009)



Green Growth Model City selected by OECD (2011)

Creation of Local and Global Sustainable Society

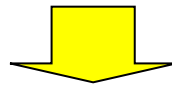
II Outline of Kitakyushu Asian Center for Low Carbon Society

Kitakyushu Asian Center for Low Carbon Society

Kitakyushu Asian Center for Low Carbon Society opened in June 2010.



Utilization of the environmental technologies developed through the solution of pollution problems and manufacturing processes, and the inter-city network established by international cooperation in the past



Accumulating **environmental technologies** in Kitakyushu City and throughout Japan, for building low carbon societies in Asia through environmental business skills

Organization and functions of the Center

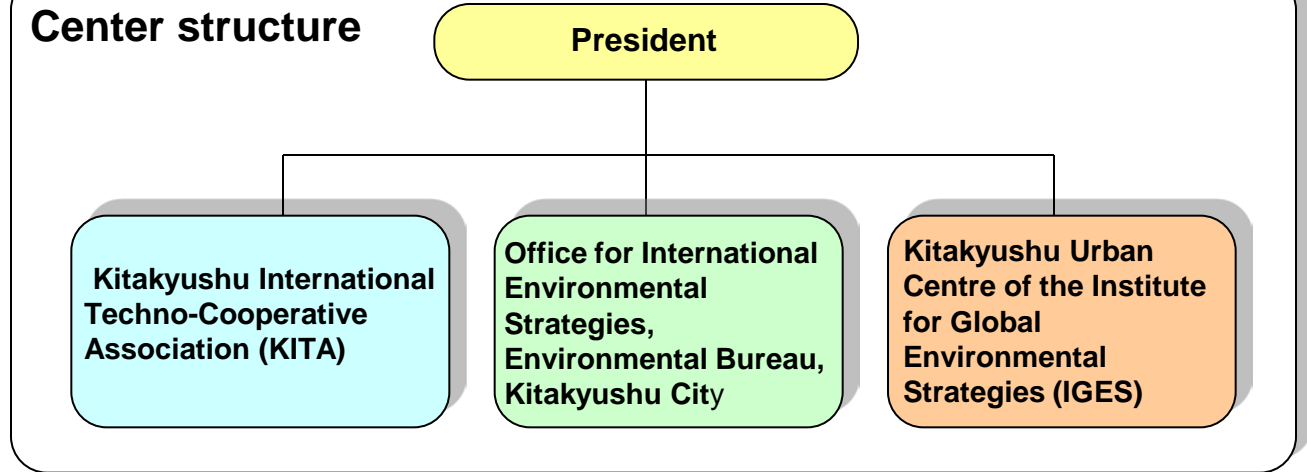
President



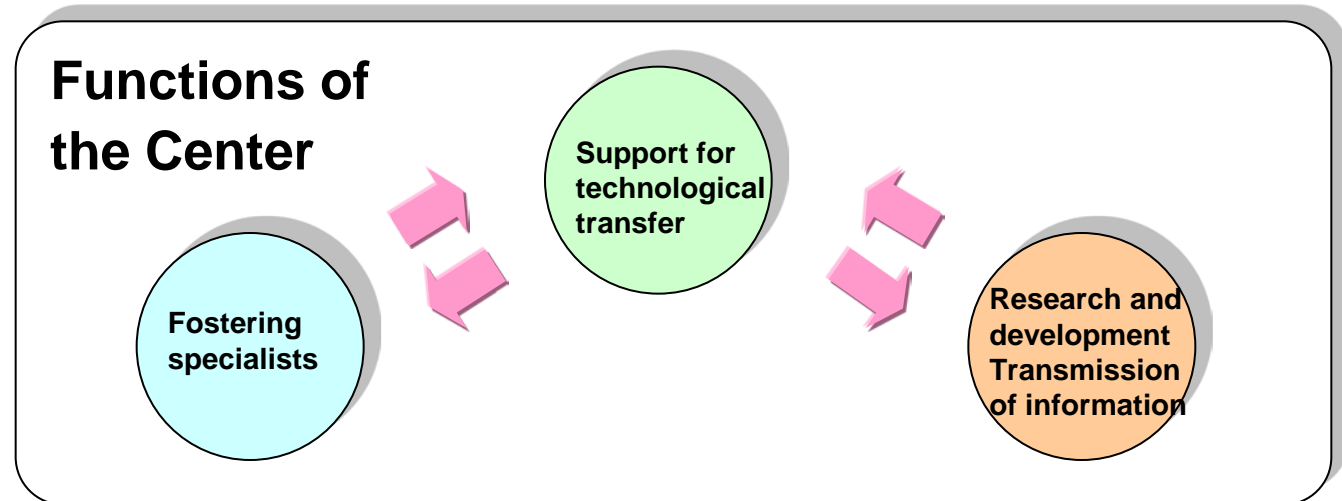
Hiroshi Komiyama
President
(Former President of
the University of
Tokyo)

Leading person on
global environment
issues

Center structure



Functions of the Center



Aims of the Center

**Needs of newly developing countries:
Constructing green cities, not only transferring technologies**

Total power as a leading runner of an environment-friendly city (Kitakyushu City)

**Experience with
overcoming pollution
problems**



**Advanced social system
(Kitakyushu Eco-Town, etc.)**



**Excellent environmental
technologies**

**Responding to diversified needs of Asian cities and
companies**

Ex.: Eco-Cities and Smart Cities

**Greenhouse gas reduction
Bilateral credits**


**Custom-made
Export of cities (towns)**

**Establishing a base Asian
region
for demonstration
experiments and human
resource development**

Base for environmental business in the Asian region

Promotion of major projects

Aiming to establish a “City Export” model of infrastructure exports centering on environmental issues, which has been proposed by Japan, through the promotion of major projects in Indonesia, India, China, etc.




1. Indonesia (Surabaya City Project)

Surabaya is the second largest city in Indonesia, with a population of over 3 million.

Because the electricity supply is low in quality and not stable, it hinders industrialization of the city.

* Improving national industrial parks, etc. to create more smart facilities, and applying advanced systems for waste water treatment and waste treatment



2. India (Driving forward of an industrial main-artery plan in Delhi and Mumbai)

Gujarat State (Surat City and Dahej District) is one of the representative industrial regions in India. Expecting not only introducing excellent environmental technologies from Japan, but also establishing an environmentally conscious city

* Supporting eco-town constructions (Surat City) and participating in smart community projects (Dahej District)



3. China (Conclusion of MOU with Beijing Environment Exchange, cooperation in construction of Dalian Eco-Town)

Dalian City is one of the representative eco-friendly cities in China.

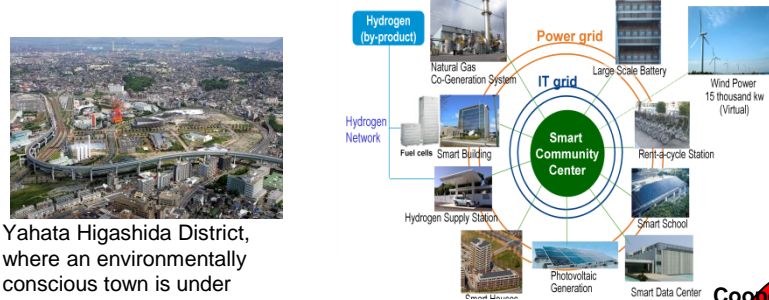
Dalian City is aiming to become an eco-city by preparing residential zones that are beyond the framework of a mere housing complex focusing on recycling.

* Support for the preparation of the eco-town plan and participation of Japanese companies in individual recycling businesses, etc.

Priority fields in technological transfer

Energy management

Regional management of energy by placing city and regional electricity plants at the core Kitakyushu Smart Community Project (Higashida Area)



Yahata Higashida District, where an environmentally conscious town is under construction

Kitakyushu Smart Community

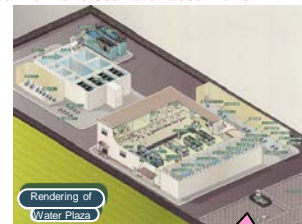
Cooperation between government and the private sector

Transferring

a package on environmental technologies and social systems

Water business

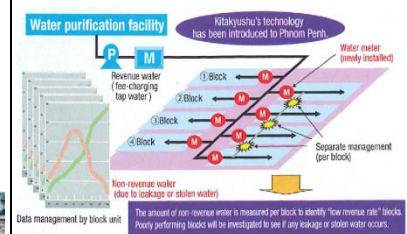
Water recycling demonstration plant combining sewage water membrane treatment and seawater desalination



Water created from sewage: 1,000 m³/day
Water created from seawater: 400 m³/day



How to maintain and manage a water distribution network



Non-revenue water rate is improved. 72% (1993) → 8% (2006)

Recycling and waste treatment



Economic effects (25 projects):

- * Direct investment: approx. 60 billion yen
- * Generated employment: approx. 1,300 jobs

CO₂ reduction: approx. 200,000 tons/year



Most advanced facilities for waste treatment
Shaft-gasification furnace



Shin-Moji Plant
Safe facilities that achieved recycling of waste and effective utilization of heat energy

Cleaner production and prevention of pollution

Introduction of cleaner production (CP)

- * Evaluation and improvement of raw material and fuel use
- * Improvement of manufacturing processes
- * Thorough implementation of maintenance and management
- * Human resources development, etc.

Achievement of energy saving and resource saving
Reduction of environmental loads
+ Higher productivity

End-of-Pipe (EOP) measures



“Green Asia International Strategy CSZ”

(including Kitakyushu City, Fukuoka Prefecture and Fukuoka City)

We aim at growing with Asian countries, utilizing the vitality of Asia.

Our additional proceeds target up to 2020 is 5000 billion (about 10% of national target)

Building Cooperative Relationships with Relevant Organizations (1)



The signing of a memorandum between the **United Nations Industrial Development Organization (UNIDO)** and the City of Kitakyushu concerning mutual cooperation for the purpose of achieving a low-carbon society. (June 2010)



The signing of a memorandum between the **Japan Bank for International Cooperation (JBIC)** and the City of Kitakyushu concerning mutual cooperation related to climate change policy and water infrastructure (December 2009)



The signing of a memorandum between the **Kyushu Recycling and Environmental Industry Plaza (K-RIP)** and the Kitakyushu Asian Center for Low Carbon Society concerning mutual partnerships and cooperation for the purpose of promoting environmental businesses in Asia (June 2010)

Building Cooperative Relationships with Relevant Organizations (2)



The signing of a memorandum between the **China Beijing Environment Exchange** and the Kitakyushu Asian Center for Low Carbon Society concerning mutual partnerships and cooperation for the purpose of promoting business exchanges in both countries as points of contact between China and Japan (August 2011)

*The China Beijing Environment Exchange

This organization supports leading enterprises in China, including China National Offshore Oil Corp., State Grid Corporation of China, and China Everbright Investment Corp., as well as the Beijing municipal government, and gathers data on Chinese companies. It also has wide-ranging relationships with environmental agencies in regional cities.



The signing of a memorandum between the **Thai Ministry of Industry** and Kitakyushu concerning cooperation in creating a low-carbon society (August 2012)

北九州市制50周年記念 北九州市・国際協力機構(JICA) 連携協定締結式



The signing of a partnership agreement between **Japan International Cooperation Agency (JICA)** and Kitakyushu City (February 2013)

Kitakyushu City and JICA continuously promote existing collaborative relationships, and develop ties in new fields to further enhance mutually beneficial partnership relations.

- ✓ Pursue international strategy and international cooperation in a field of environmentally conscious urban development by utilizing the Green City Kitakyushu Model
- ✓ Promote and support private–public partnership and industry–government–academia collaboration
- ✓ Advise and cooperate with JICA projects utilizing Kitakyushu City technologies and know-how, etc.

Diverse Project Development Map

Project for the development of small and medium-sized Asian environmental business

- ⑩ Hohkohsya: Project to promote low-energy lighting in Thailand
- ⑫ Fuji Corp.: Project to promote photocatalytic antibacterial tiles in S. Korea
- ⑬ Kokura Synthetic Industries: Project to refine castor oil in Indonesia
- ⑭ Sepa-Sigma: Project to recycle liquid waste from semiconductor manufacturing in S. Korea
- ⑮ Recycle Energy: Project for intermediate waste disposal in Malaysia
- ⑯ Beetle Management: Project for Intermediate Waste Processing in Indonesia

We have carried out about 40 projects in close cooperation with 21 Japanese companies in 21 Asian cities.

India
Dahej ⑩
Mumbai ⑦ ⑧

Waterworks improvement projects in Cambodia

- ⑲ Support for basic design of water purification plants in Siem Reap
- ⑳ Consulting on waterworks improvement in Sen Monorom
- ㉑ Basic research on water supply business planning in Kampot and Kep
- ㉒ Basic research on regional waterworks improvement in Battambang and Kampong Cham

Waterworks improvement projects in Vietnam

- ㉓ Research on block water distribution systems in Haiphong
- ㉔ Introduction of advanced water purification technology (JICA Grassroots Project)

Sewage improvement projects in Surabaya

- ㉕ Sewage improvement plan development
- ㉖ Dispersal sewage treatment plant improvement project (JICA Grassroots Project)



FS investigation and industrialization

①~④ Yaskawa Electric Corporation: energy-saving project

- ① JETRO (2008, Dalian)
- ② Ministry of Economy, Trade and Industry (2010, Beijing)
- ③ Ministry of the Environment (2011, Shanxi Province)
- ④ Sixth Japan-China Energy Conservation and Environmental Forum Cooperation Project (2012, Tianjin)

⑤, ⑥ TOTO Ltd.: Promotion of water-saving home appliance

- ⑤ Ministry of the Environment (2011, Dalian)
- ⑥ Ministry of Economy, Trade and Industry (2012, Ho Chi Minh City & Hanoi)

⑦~⑨ Nippon Magnetic Dressing Co., Ltd.: Rare metal recycling

- ⑦ Ministry of Economy, Trade and Industry (2012, Mumbai)
- ⑧ NEDO demonstrations (2012, Mumbai)
- ⑨ Ministry of Economy, Trade and Industry (2012, Hanoi, Ho Chi Minh & Haiphong)

⑩ Hitachi and others: Dahej Eco-city Development Support

⑪ Eco-Material Corporation: Project for recycling waste plastics

- Ministry of the Environment (2011, Tianjin)
- ⑫ Kyushu Metal Industry: Project for recycling used automobiles
- Ministry of Economy, Trade and Industry (Dec. 2012-, Tianjin)

⑬ Project for cooperation and advancement of recycling-oriented cities through a Kitakyushu-Dalian partnership

- Ministry of Economy, Trade and Industry (2009-2011, Dalian)

⑭ Matsumoto Mitsuharu Shoten: Project for building a used paper recycling system

- Ministry of Economy, Trade and Industry (Oct. 2012-, Dalian)

⑮ The Japan Research Institute Limited: Building environmentally friendly cities in Malaysia

- NEDO (2011, Putrajaya & Saiba Jaya)

⑯ The Japan Research Institute Limited: BEMS Aggregation Project

- Ministry of Economy, Trade and Industry (2012, Putrajaya)

⑰ Shinryo Corporation: Project for total recycling in electronic manufacturing process in Malaysia

- Ministry of the Environment (2012, all of Malaysia)

⑱ Toray Group: BOP project in Indonesia

- JICA (2011, Sumbawa Regency and elsewhere)
- ⑲ Nippon Steel Engineering and others: Energy conservation and cogeneration project in Indonesian industrial zones
- Ministry of Economy, Trade and Industry (2012, Surabaya)

㉑ Nisihara Corporation: Pilot project for intermediate waste disposal and recycling facilities

- Ministry of Foreign Affairs (2012, Surabaya)

㉒ Nippon Steel Chemical Co., Ltd.: Licensing of nitrate-nitrogen removal technology

III Exporting Green City by Inter-city Cooperation

Development of Waste management Project in Surabaya

We achieved a reduction of over 30% in household waste.

We launched the waste management project in 2004 in Surabaya, Indonesia's second largest city with a population of three million. The project entailed proactive steps to encourage residents to compost the organic matter that comprises over half of Surabaya's total waste. As a result of the project, more than 20,000 households now have composting baskets and more households are separating their rubbish into different types, leading to a reduction of over 30% in annual volume of household waste.



City in 2001
Streets overrun by garbage



Surabaya's streets today
Increased greenery in parks and along roads using compost



Partnership between Surabaya and Kitakyushu



A joint statement was made in March 2011 on a strategic environmental partnership between **Surabaya** and Kitakyushu.



“Green Sister City” agreement was signed in November 2012 between **Surabaya** and Kitakyushu.

Exporting Green City

Waste disposal

From open dumping to reducing and recycling through intermediate waste disposal



Waste water disposal

From only basic treatment through septic tanks to development of sewage improvement plans suited for the on-the-spot conditions



Cogeneration & energy conservation

Introducing the efficient energy management system



Surabaya Industrial Estate Rungkut (SIER)

Export of technology and knowledge from Kitakyushu Smart Community project

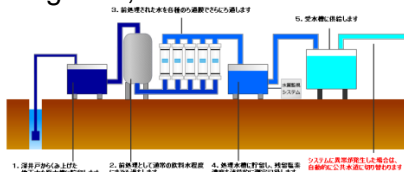
Investigating methods for quantifying CO₂ reduction

As for operations being conducted in Surabaya, methods for quantifying reducible volumes of CO₂ are being investigated.

Exporting Green City

Tap-water purification

Installing water supply equipment in the community that could purify tap-water(though not drinkable) and providing safe, reliable water



Drinking water supply operations

Providing inexpensive clean drinking water through solar panels and water purification equipment



Inter-city Cooperation

Kitakyushu City

Surabaya City

Project for Cogeneration and Energy Conservation at Surabaya Industrial Estate, Indonesia

We hope for this to be our first overseas export from the Kitakyushu Smart Community Development Project.

Nippon Steel & Sumikin Engineering Co., Ltd., Fuji Electric Co., etc.

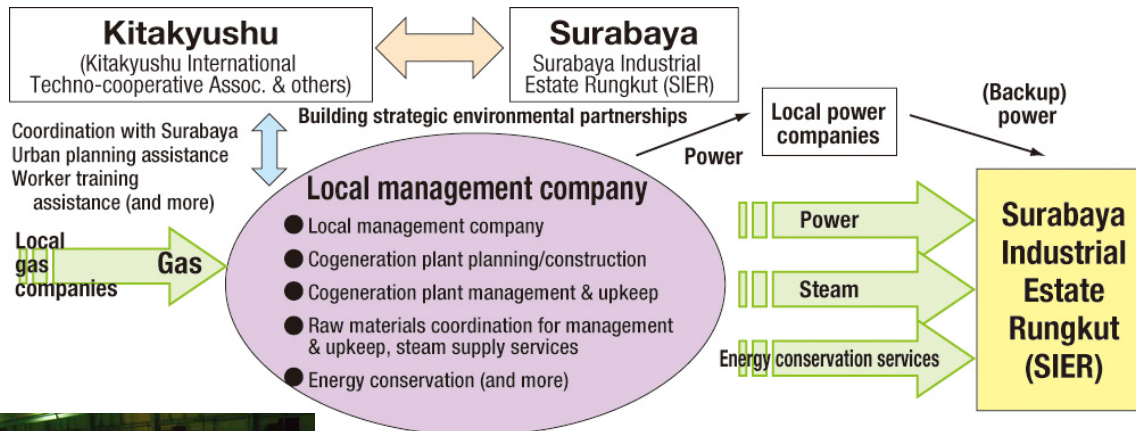
- We are planning to establish a local management company to offer the following energy and energy conservation services to SIER.
 - A cogeneration operation to provide high-quality, efficient power and steam
 - Energy maintenance services for industrial estate factories to provide steam systems and energy-conserving systems
 - Development of an advanced sewage and waste treatment service centered around the industrial estate



The combined heat & power(CHP) with the capacity of 16MW will be installed according to the assumed steam demand(average;37ton/h, maximum;41ton/h)

We assume that the amount of investment will be 3 or 4 billion yen.

*The Surabaya Industrial Estate Rungkut (SIER)
The SIER, which was established with 50% investment from the Indonesian gov't, 25% from State of East Java, and 25% from the City of Surabaya, is an industrial estate some 300 ha in size, and home to about 300 companies.



Aim to realize system reform through G to G discussion

1 Electricity sale to consumers

According to new electricity law of 2009, central and local governments have the right to grant approval and license regarding electricity business. The law enabled business operators other than the state-owned electricity company, PLN, to supply power from private power generation to third parties, using PLN's power line. However, to sell electricity, PLN's consent must be obtained, and that is difficult in PLN's supply areas.

2 Sell electricity to PLN (Excess Power)

A rule of 50% self-consumption was removed, and there is no restriction on selling steam. However, an agreement must be renewed annually. Moreover, an Ordinance from the Ministry of Energy and Mineral Resources, ESDM, will be applied to excess power, so selling electricity will be basically at a low price.

We intend to develop a successful model in Surabaya and spread it to other parts of Asia with the same issues (insufficient power or low-quality power).

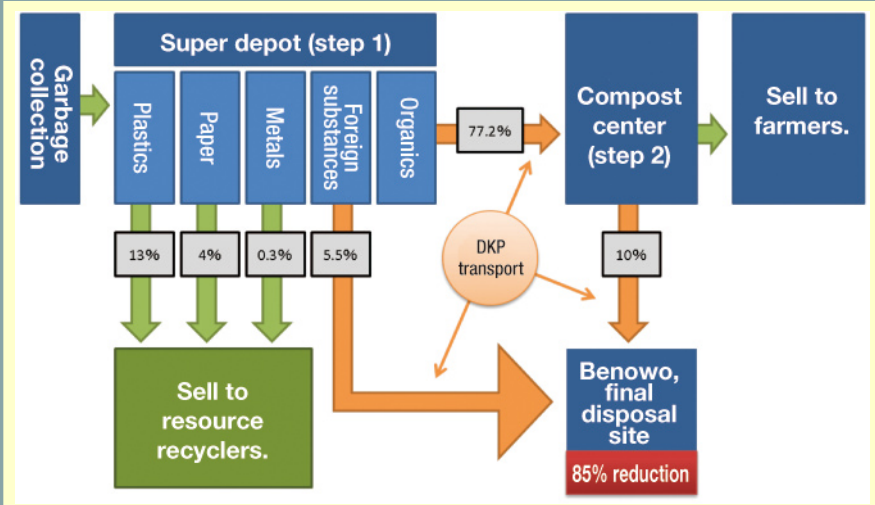
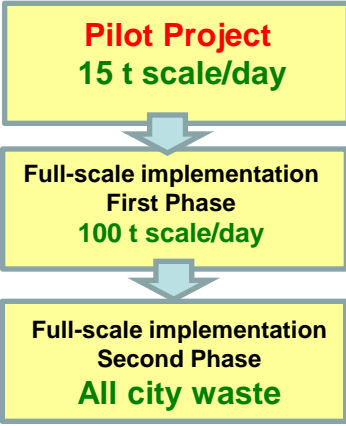


Pilot Project for Establishing Recycling-Oriented Intermediate Waste Processing Facilities in Surabaya

Promote recycling and waste reduction by building waste intermediate processing facility (SUPERDEPO) to separate and process valuables and organics after collecting general waste in the city

Nishihara Corporation

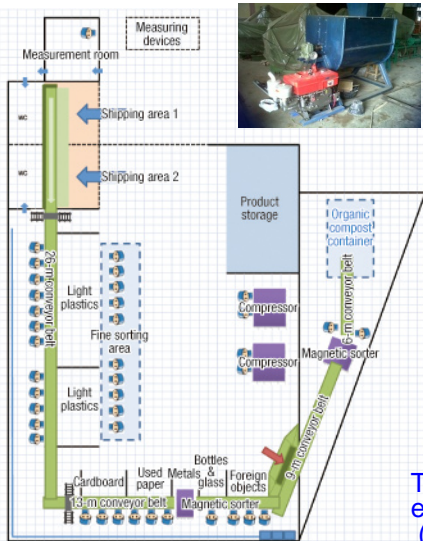
Waste collected in Surabaya is open-dumped at the final disposal station, amounting to 1200 t/day. If a recycling-oriented waste intermediate processing plant is introduced, the amount brought into the final disposal station can be reduced by 75%. Pilot project has been launched, conducted with waste-pickers who make a living by collecting valuables such as plastics and metals from waste in a poor working



We are examining future business plans that include up to 10% of foreign matter containing selected organic materials. Nevertheless, the amount of material finally disposed of in landfills can be reduced about 85%.

Super depot (step 1)

Composting center (step 2)



Composting center facilities (daily volume of 100 t)



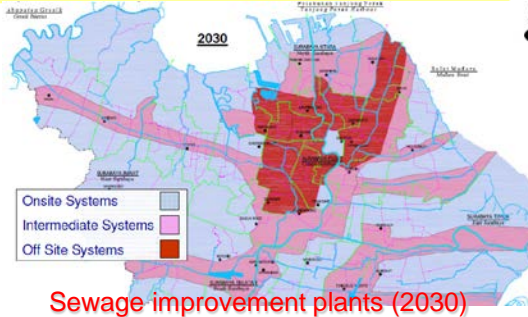
The compost proceed is used for experimental crop production. (Trawas: 400 m²)

Sewage Improvement Projects in Surabaya

Original Engineering Consultants Co., Ltd. & the Kitakyushu City Water and Sewer Bureau

Development of Sewage Improvement Plans Surabaya, Indonesia's second-largest city with some 30 million people

- Efficient sewage improvement methods applicable to Surabaya's track record
- Items required for appropriate management of sewage operations
- Methods of educating the public for facilitating sewage operation management
- Utilizing the participation and technology of Japanese firms ...and more



Problems faced by Surabaya

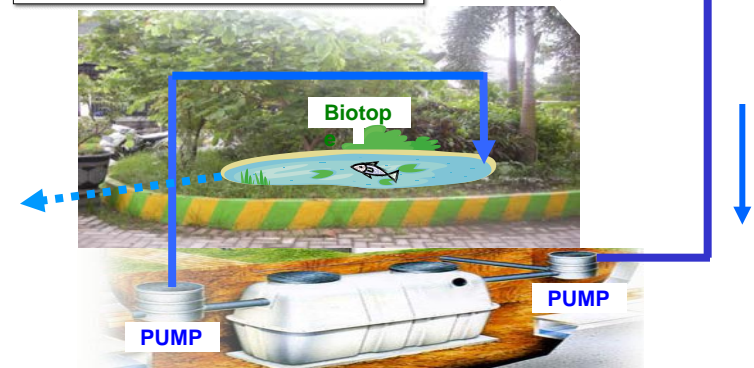
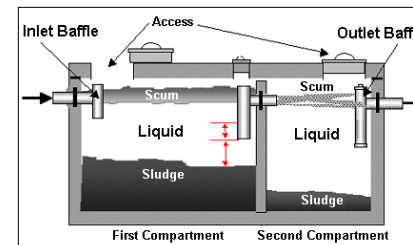
1. The city has no sewage system, so domestic sewage is simply discharged from septic tanks into rivers with only basic treatment, or discharged directly untreated.
2. Garbage is illegally dumped in rivers and canals.
3. The city is affected by inflows of industrial sewage.
4. The entire city is located in a plain, with very little water flow in canals, so water stagnates and becomes polluted easily.
5. Rivers follow gentle slopes are not swift-moving, so sediment accumulates easily.

A JICA Grassroots Cooperation Project

Dispersion sewage treatment plant improvement project (34)

Kitakyushu is taking advantage of a JICA Grassroots Cooperation Project (FY2011–2013) and is in the process of creating a master plan covering the following facilities as a project for improving dispersal sewage treatment facilities:

- A small film purification plant in Janbangan district
- A river purification plant in Tenggilis district
- A fish market sewage treatment plant in Pabean district



A small film purification plant in Janbangan district

Indonesia BoP Project

Toray Group (Suido Kiko Kaisha, Ltd. & Toray Industries, Inc.)



Installation of PVRO at a hospital on Sumbawa

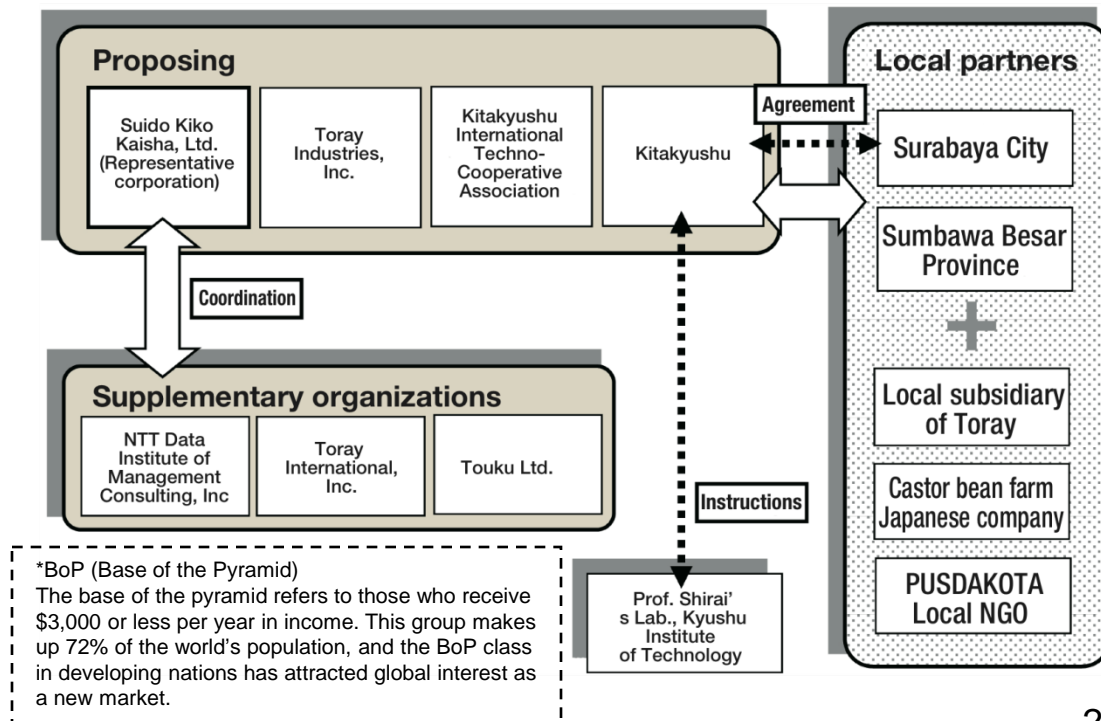


Installation of small solar-powered desalination machine (PVRO)

In the island region of East Java province, where electrical and water infrastructure are undeveloped, we plan to utilize solar-powered, hybrid water purification equipment with desalinization capabilities to conduct a study on introducing systems that can cheaply supply clean drinking water and improve the local living environment.

The Kitakyushu Asian Center for Low Carbon Society is in charge of the community development and business hub development that will play a key role in creating business models, as well as coordinating with the government of Surabaya.

Our aim in conducting this study is to create new public-private partnerships in emerging nations from a perspective that emphasizes the construction of low-cost business models and the development of technologies appropriate to local needs while protecting local culture.



IV Development Scheme for Exporting Urban Environmental Infrastructure

Issue of Sectoral Master Plan

Various sectoral master plans (regional development, railway construction, sewerage and etc.) are planned by Japanese government, JICA and international cooperation organization of Australia.

1. These master plans were prepared by East-Java state government as a contact window and Surabaya city as an operation site, however, Surabaya city government is not so much involved with the plans.

Accordingly, for example, voluntary involvement of Surabaya city in the master plan of wastewater prepared by International Development Agency of Australia is not so much expected as following reasons;

- * Procurement of a vast land necessary for the proposed sewerage disposal system is difficult.
- * No specific proposal is proposed regarding construction of sewerage pipeline in the congested streets and roads.

2. Preparation of master plan of waste management is the number 1 priority of Surabaya city (mayor, city planning department, beautification department and etc.)

Master plan of waste management in Surabaya city is to be prepared by a technical cooperation project with JICA from 2013, however, the city has already promoted the waste management, so, Barik-Papan and Paren-Ban became a target for the master plan.

3. Aim of Surabaya city is a unique “Green & Low Carbon City” in Indonesia by cross-sectoral linkage with these master plans.

- * Human resources of Surabaya city is not enough to realize the “Green & Low Carbon City”, so capacity-building program is necessary for the employees of Surabaya city.

Issue of Individual Project

Various projects are developed in Surabaya city in cooperation with Kitakyushu city, such as energy conservation (the introduction of cogeneration into industrial park), waste treatment, drainage treatment, purification of tap water and well water.

1. Though various sectoral projects are in development, cross-sectoral cooperation is not enough for the concept of the Green & Low Carbon City.

* Various projects are conducted individually in accordance with the needs of Surabaya city, however, each project is not linked organically each other because integration of every project does not exist in the upper town management plan.

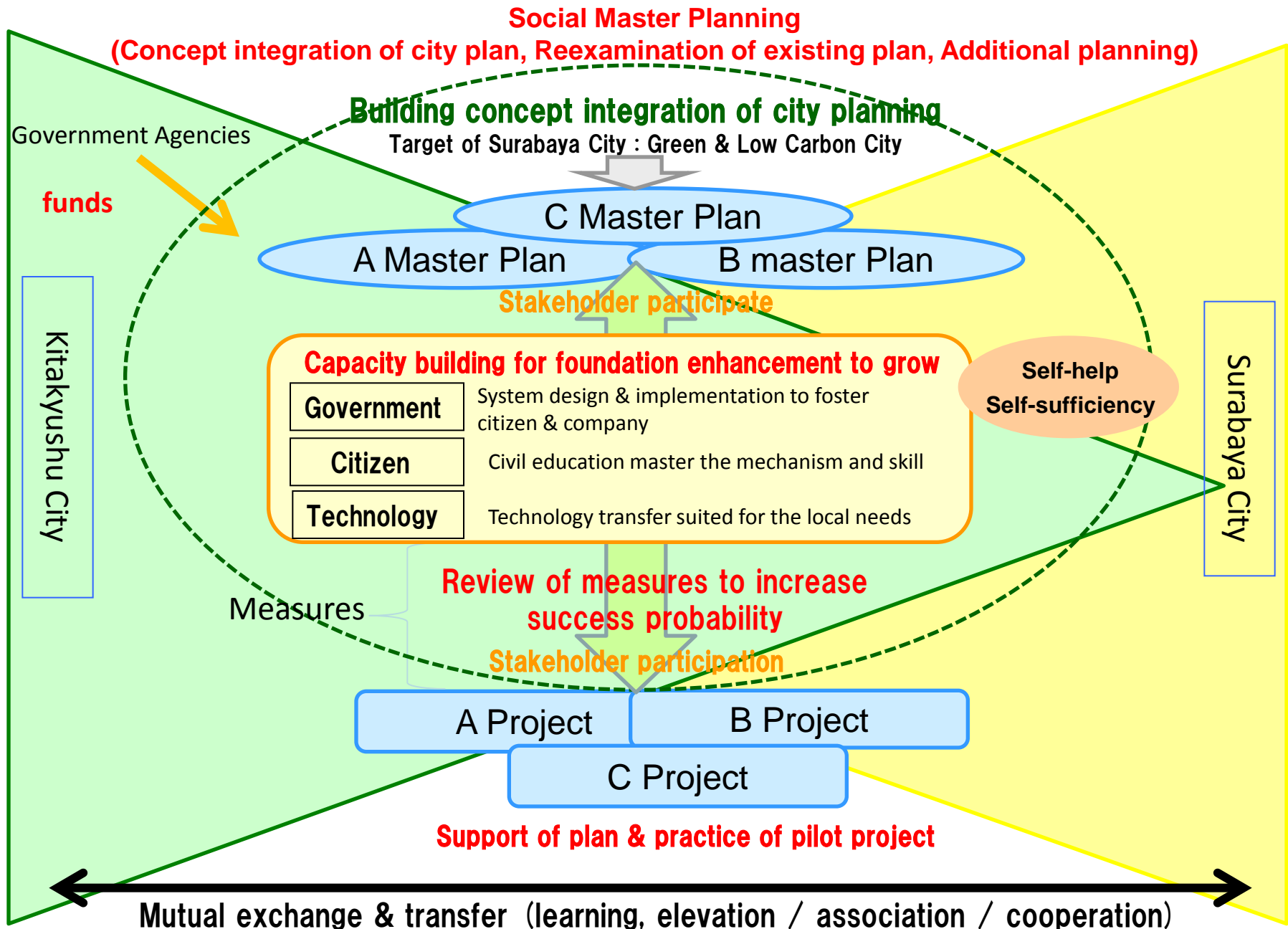
2. Every project is not approached by step-by-step to evaluate project results for the next project planning and is not approached from long-term point of view

* Waste management is the most important issue of Surabaya city and the city is conducting a pilot of intermediate waste recycling facilities, however, master plan of waste management is not prepared yet.

3. Discussion with stakeholders is very important to every project, however, responsible companies do not understand the discussion.

* Companies do not understand the importance of obtaining the consent from local residents that is necessary for requesting local community to maintain demonstration equipment of drinking water.

Support of Social Platform Formation by Inter-city Cooperation



Showroom of the Green City

We are aiming at creating a Showroom of the Green City in Surabaya by the activities based on the Green Sister-City.

1. Building a Model of Green & Low Carbon City

Build a model of Green & Low Carbon City in Indonesia, by using existing “Surabaya Vision Plan 2005 – 2025” (Urban Development Plan), by using the sectoral master plan and by preparing comprehensive city plan from “green and low-carbon” point of view. Dissemination of the model in every cities in Indonesia will contribute the CO2 reduction(26%) by 2020 which is the target of Indonesia.

2. Comprehensive support (from planning to implementation)

Past development & investigation ended by formulation of master plan and its implementation was entrusted to city’s autonomy. However, the project is comprehensive project covering preparation of unified concept of town management, backup of planning & implementation of pilot project and human resource development to encourage Surabaya City and feasibility enhancement of master plan.

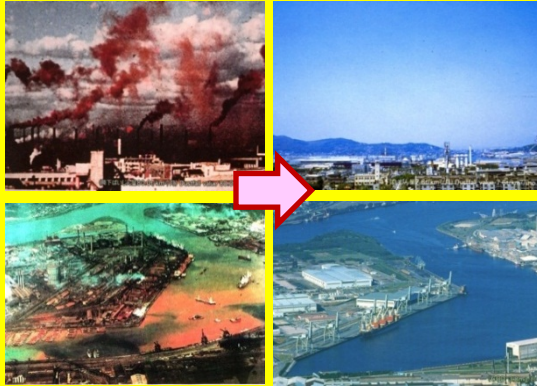
3. Administrative cost reduction by PPP

Each project can be implemented with less administrative cost by helping entry of private companies using PPP to avoid all the costs borne by public administration as in the past. Therefore, we will, in addition, promote regulatory & system reformation to remove the entry barrier of private companies.

Kitakyushu as a base for exporting urban environmental infrastructure

Kitakyushu aiming to become the world environmental capital

Experience of overcoming pollution and International Environmental Cooperation



Prominent environmental technologies and Social System



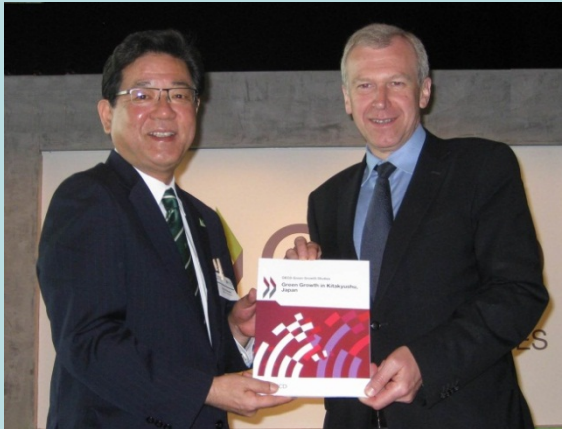
Urban environment diplomacy with Asian cities



Green Sister City with Surabaya, Indonesia

MOU with Department of Primary Industries and Mines, Ministry of Industry of the Kingdom of Thailand

Eco-Model City, Environmental Future City, and OECD Green City Program Model City Together with Paris, Chicago, and Stockholm!



Kenji Kitahashi, Mayor of Kitakyushu City, who received the Kitakyushu Report from Yves Leterme, Deputy Secretary General of OECD

Stage for exporting urban environmental infrastructure export is cities

By utilizing inter-city cooperation

- ✓ Developing a comprehensive project from upper phase becomes possible.
- ✓ A long-term follow-up can be done even after project completion.
- ✓ Can have a direct access to relevant departments of partner's city government
- ✓ Possible to develop HR for management and operation
- ✓ Cross-ministry support is possible (METI, MOE, MOF, NEDO, JICA, etc.)

Public-Private Partnership (PPP)

To promote public-private partnership in the field,

- ✓ Establish a new business entity that is responsible for overall consulting, fund management, and environmental infrastructure operation
- ✓ Establish a platform where two governments have a dialogue, to lower entry barriers (law/regulations, social system, etc.)

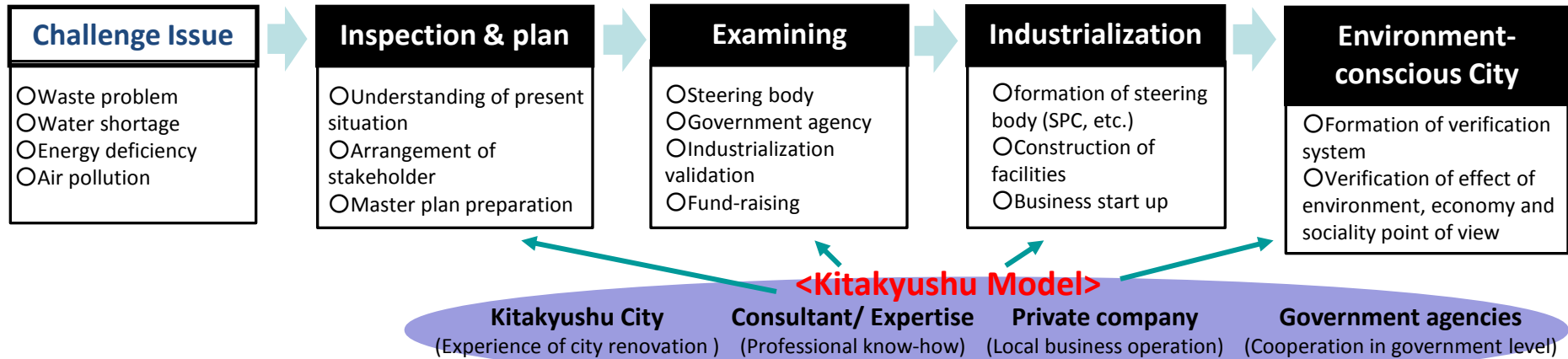
Comprehensive Urban Solution Using Kitakyushu Model

(Creation of Environment-Conscious City for Developing Countries)

“Experience of Environment-Conscious City” + “High-Techs of Private Companies”
= “Provision of Comprehensive Urban Solution”

- ◎ Provision of comprehensive urban solution using Kitakyushu model
- ◎ Creation of environment-conscious city by urban environment infrastructure development of public-private cooperation

<Provision of comprehensive urban solution using Kitakyushu model>



<Merit of Kitakyushu Model>

1. Provision of experience of overcoming environmental pollution leading to environment conscious city

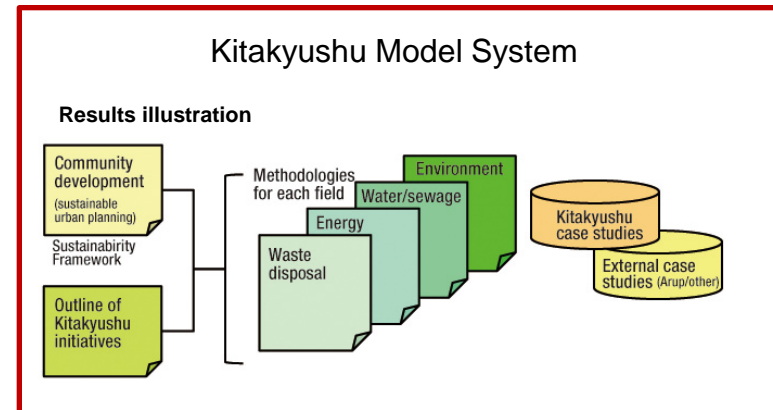
Provision of technology and knowhow of overcoming pollution to environment conscious city, experience of environment-related facilities and creation of effective city renovation.

2. Provision of high-techs of private companies

Various high-techs of private companies used for smart community, eco-town, water plaza, etc.

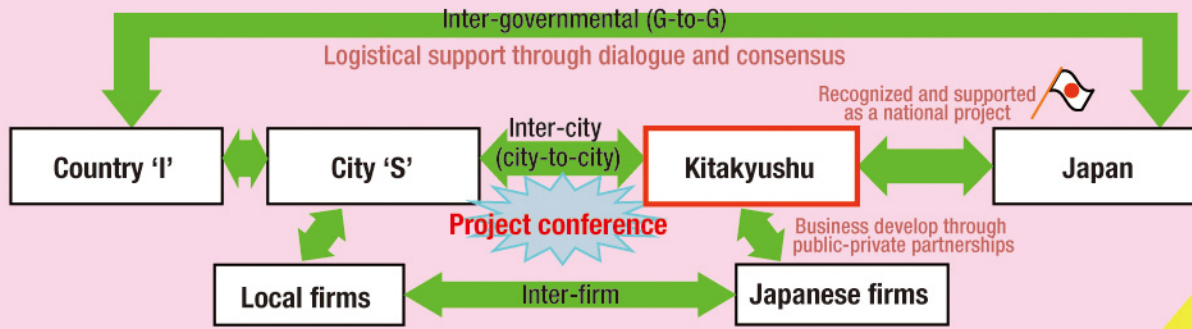
3. Total management by Kitakyushu City leadership

Kitakyushu city trusted by government agencies will lead overall adjustment.

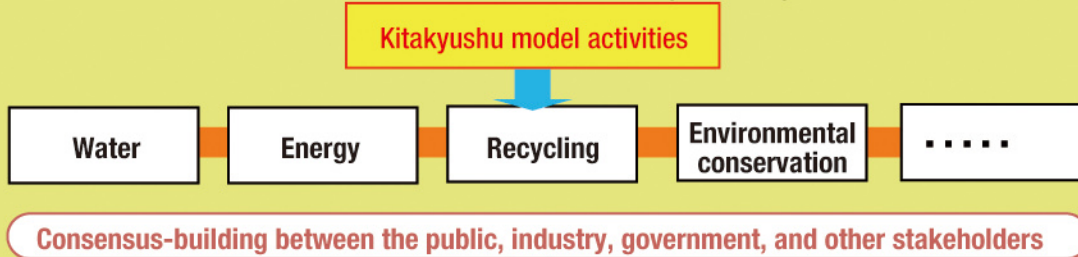


Development Scheme for Exporting Urban Environmental Infrastructure

Creating a platform for inter-governmental and inter-city cooperation



Development of a comprehensive environmentally-friendly urban master plan



Private financial institutions



Financial assistance

Social system development

Project discovery

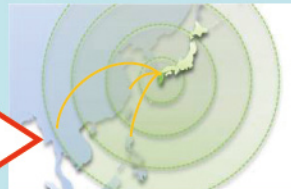
Project development
(feasibility studies & demonstrations)



Public financial assistance

Commercialization
(including fundraising)

Overseas infrastructure development



Creation and centralization of a comprehensive support coordination service

Conference to Promote the Export of Urban Environmental Infrastructure (provisional name)

*Conference for Coordinating Communication Between Related Ministries and Agencies (executive office: Chief Cabinet Secretary)

- Ministry of Foreign Affairs
- Ministry of Economy, Trade and Industry
- Ministry of the Environment
- Ministry of Land, Infrastructure, Transport and Tourism
- JICA
- NEDO
- JBIC ...and more

Comprehensive financial assistance (cross-industry, continuous-process)

Support for establishing footholds (subsidies, etc.) Greater worker interaction

Establishing footholds for constructing local government models



Kitakyushu Asian Center for Low Carbon Society

Establish green community development that accommodates the diverse needs of Asian cities and firms.

Consider a product management company (Company X) that will support the Kitakyushu Asian Center for Low Carbon Society.

Building Win-Win Relationships

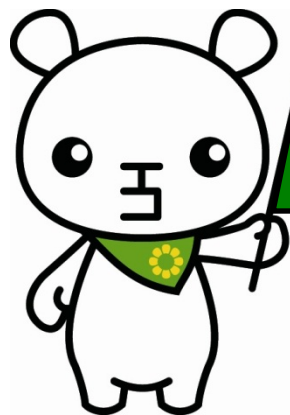
Asian cities

Mitigate pollution and improve quality of life while reducing CO₂



Kitakyushu

Rejuvenate communities through overseas environmental business development primarily by Kitakyushu companies.



In addition to international environmental cooperation, when it comes to international environmental business development, our hope is to see the advancement of a uniquely Japanese approach, different from that of other countries, that will respect and bring joy to local residents.

