

# The Outline of the 3rd Supplementary Budget of FY2011

- This supplementary budget is as the substantial one for reconstruction from the Great East Japan Earthquake, focusing on measures which truly contribute to reconstruction, based on the "Basic Guidelines for Reconstruction in Response to the Great East Japan Earthquake."
- This budget also makes consideration to measures against problems due to the effects of the recent excessive appreciation of the yen, including the hollowing out of industry, based on the recognition that "without the recovery of Japan's economy, the true reconstruction of disaster-affected area cannot be achieved."
- In addition, expenses related to type-B hepatitis and the expenses for disaster recovery including the countermeasures to damage caused by the Typhoon No.12 are budgeted for.
- Financial resources of this budget are mainly secured by issuance of Reconstruction Bonds with a predetermined redemption path.

<b>I. Expenses related to the Great East Japan Earthquake</b>	<b>11,733.5 billion</b>
<b>1. Disaster Relief</b>	<b>94.1 billion</b>
(1) Emergency support to the disaster-affected people	47.5 billion
○ Assistance of school attendance to the disaster-affected pupils and students (3-year extension of prefectural funds)	29.7 billion
○ Urgent strengthening of measures against suicide in local communities	3.7 billion
(2) Disaster relief based on the Disaster Relief Act	30.1 billion
(3) Livelihood Welfare Fund Loan	16.5 billion
<b>2. Disposal of Disaster Waste</b>	<b>386.0 billion</b>
Expenses for disposing of disaster waste (debris, etc.) caused by tsunami, etc.	

### **3. Additional Public Works** **1,473.4 billion**

#### **(1) Public works for disaster recovery related to the Great East Japan Earthquake** **870.6 billion**

- Public civil engineering facilities (river, coast, road, port, fishery harbor, farmland and agricultural facilities) 836.6 billion
- Toll road, waterworks etc. 34 billion

#### **(2) General public works for reconstruction** **199.0 billion**

- Road maintainance and improvement 82.7 billion
- Infrastructure development for forestry and fishery etc. 54.3 billion
- Improvement of ports and airports 29.4 billion
- Flood control 19.5 billion
- Waste products, waterworks 13.2 billion

#### **(3) Facilities etc.** **403.8 billion**

- Rebuilding school facilities etc. 112.7 billion
- Improvement of research facilities including universities (the Tohoku Medical Mega-bank Plan etc.) 36.9 billion
- Railroad facilities 6.6 billion

### **4. Disaster-related Public Financing Programs** **671.6 billion**

#### **(1) Loans for rebuilding businesses and stabilizing the management of SMEs etc.** **653.0 billion**

**(The scale of operations is 11.6 trillion yen\*<sup>1</sup> (5 trillion yen is for credit guarantee programs for SMEs, another 5 trillion yen is for loan programs for SMEs))**

- The Great East Japan Earthquake Reconstruction Emergency Guarantee Program (mainly, capitalizing JCF) 370.3 billion
- The Great East Japan Earthquake Reconstruction Special Loan Program (capitalizing JCF) 242.7 billion

#### **(2) Loans for rebuilding business of the Agriculture, Forestry and Fishery etc.** **18.6 billion**

\*<sup>1</sup> This amount includes the lease payment subsidies for assistance to disaster-affected SMEs' revitalization.

## **5. Local Allocation Tax Grants**

**1,663.5 billion**

Covering the local burden of the disaster-affected areas for recovery and reconstruction by an additional Local Allocation Tax (the "Special Tax Allocation for Reconstruction from the Earthquake" (tentative name)).

## **6. The Great East Japan Earthquake Reconstruction Grants**

**1,561.2 billion**

Setting up the Great East Japan Earthquake Reconstruction Grants to support the disaster-affected local governments in their regional development in accordance with their own reconstruction plans, and to accelerate reconstruction.

Securing financial resources that can be used with flexibility and enable the implementation of various material/human projects needed for regional development for reconstruction, in addition to bracketing the various supplementary menus needed in regional development for reconstruction, including land readjustments and collective relocation for disaster prevention.

## **7. Expenses related to Reconstruction from the Nuclear Disaster**

**355.8 billion**

Expenses related to decontamination, expenses for establishment of the Fukushima Pref. Nuclear Disaster Response and Reconstruction Fund (tentative name)\*<sup>2</sup> etc.

- Decontamination of land etc. contaminated with radioactive materials and disposal of contaminated waste 245.9 billion
- Establishment of the international medical center for radiation treatment and regenerating local medical services 68.7 billion
- Temporary payment of Nuclear Damage Compensation 26.4 billion
- Establishment of the Environment Creation Center (tentative name) 8.0 billion

\*<sup>2</sup> Total amount of the Fukushima Pref. Nuclear Disaster Response and Reconstruction Fund (tentative name), including the job creation program in strategic fields and the measures for firm location, in addition to the establishment of the international medical center for radiation treatment and regenerating local medical services as well as the establishment of the Environment Creation Center (tentative name), is around 384.0 billion yen.

## **8. National Disaster Prevention Measures** **575.2 billion**

### **(1) Enhancement of resistance to earthquakes and disaster prevention measures for schools** **205.1 billion**

- For public schools 163.0 billion
- For national universities etc. 27.0 billion
- For private schools etc. 15.0 billion

### **(2) General public works as National Disaster Prevention Measures** **249.3 billion**

- Road maintainance and improvement 109.2 billion
- Flood control, improvement of coastal areas, ports and airports etc. 61.2 billion
- General improvement of social infrastructure 56.6 billion
- Development of rural areas, infrastructure development for fishery etc. 22.3 billion

### **(3) Others** **120.8 billion**

**(Disaster prevention for facilities related to police, fire-fighting, the Self Defence Force and medical care etc.)**

## **9. Other Expenses related to the Great East Japan Earthquake** **2,463.1 billion**

### **(1) Grants for firm relocation** **500.0 billion**

**(Implementing measures to support to domestic firm location in the fields of components and materials as key parts of the supply chain, as well as high-value added and growing fields to prevent the hollowing out of industry and job loss.)**

### **(2) Measures for employment** **378.0 billion**

- Job creation program in strategic fields 351.0 billion
- Recruitment realization project for new graduates 23.5 billion

### **(3) Measures for housing** **311.2 billion**

- Housing loans for reconstruction from disaster etc. 150.7 billion
- Eco-point scheme for houses 144.6 billion
- Cutting interest rates on Flat 35S 15.9 billion

<b>(4) Eco-grants for energy saving etc. (Grants to assist energy saving in households and SMEs etc.)</b>	<b>232.4 billion</b>
<b>(5) Recovery and reconstruction of fisheries</b>	<b>157.6 billion</b>
○ Support to reconstruction of the fishery and aquaculture industries	81.8 billion
○ Support to restoration of common facilities for the fishery	25.9 billion
○ Debris removal from fishing places	16.8 billion
<b>(6) Restoration of facilities and equipment of the Self Defence Force etc.</b>	<b>147.0 billion</b>
<b>(7) Reconstruction of forest and forestry</b>	<b>140.0 billion</b>
○ Acceleration of forest improvement and recovery of forestry	139.9 billion
<b>(8) Medical care, long-term care, welfare etc.</b>	<b>123.1 billion</b>
○ Measures to regenerate local medical services	72.0 billion
○ Measures for the needy	20.2 billion
○ Establishment and management of long-term care support centers etc.	11.9 billion
<b>(9) Eco-town project with a self-contained and diversified energy supply etc. (Enhancement of current Green New Deal Fund to develop self-contained, diversified and disaster-resistant Eco-towns, with a central focus on the Tohoku area)</b>	<b>84.0 billion</b>
<b>(10) Measures for SMEs *<sup>3</sup></b>	<b>45.2 billion</b>
○ Lease payment subsidies for assistance to disaster-affected SMEs' revitalization	10.0 billion* <sup>1</sup>
○ Support to the strategic upgrade of fundamental technologies	5.0 billion
○ Redevelopment of industrial zones in the disaster-affected areas	4.9 billion
○ SME Revitalization Support Councils	4.5 billion
○ Support to global technology collaborations and business start-ups	2.9 billion
○ Reinforcement of business base of SMEs developing overseas	2.5 billion
○ Enhancement of the capital strength of SMEs integrating business resources	2.0 billion

\*<sup>3</sup> 124.9 billion yen was disbursed to rebuild common facilities for SMEs cooperatives associations etc. ("Group Subsidies") from the Contingency Reserve of the Great East Japan Earthquake.

<b>(11) Education assistance for recovery and reconstruction etc.</b>	<b>41.1 billion</b>
○ 3-year extension of the high school education support fund (tuition exemption and scholarships etc.)	18.9 billion
○ Special support for reconstruction of disaster-affected private schools etc.	8.3 billion
<b>(12) Ensuring the stable supply of natural resources</b>	<b>28.3 billion</b>
<b>(Ensuring the stable supply of rare earth to prevent the hollowing out of industry)</b>	
<b>(13) Police and fire-fighting</b>	<b>22.9 billion</b>
<b>(14) Agriculture</b>	<b>19.7 billion</b>
○ Price stabilization of assorted feed	9.7 billion
○ Support to restarting the businesses of disaster-affected farmers (debris removal)	2.1 billion
○ Support to restarting businesses by utilizing abandoned farmlands	1.7 billion
<b>(15) Reconstruction opened to the world</b>	<b>17.7 billion</b>
○ Youth exchange program with Asia-Pacific and North America	7.2 billion
○ Promoting international cooperation in the area of disaster prevention	4.2 billion
○ International conference in disaster-affected area	0.1 billion
<b>(16) Development of a disaster-resistant IT network etc.</b>	<b>16.9 billion</b>
<b>(17) Collection and digitalization of earthquake-related materials, investigation of damages etc.</b>	<b>2.8 billion</b>
<b>(18) Others</b>	<b>195.3 billion</b>
○ Projects for organizing recyclable energy development centers in Fukushima pref. etc.	67.6 billion
○ Free admission to expressways in the Tohoku area	25.0 billion
○ Ensuring the stable supply of petroleum oil etc.	24.3 billion
○ Developing innovative technologies in the field of the energy saving etc.	15.0 billion

**10. Compensation for Extraordinary Financing from Pension Fund 2,489.7 billion**

Compensation for 2.5 trillion yen of extraordinary financing from the pension fund, which is equivalent to the amount of the additional government contribution for the basic pension fund to make up the contribution rate gap between 36.5% and 50%, and which was utilized as the financial resources in the first supplementary budget for FY2011.

**II. Other Expenses 321.0 billion**

**1. Expenses for disaster recovery related to Typhoon No.12 etc. 320.3 billion**

Expenses for disaster recovery of public civil engineering facilities.  
(river, coast, road, port, water supply, sewerage system, harbor, farmland and agricultural facilities)

**2. Others (investigation to promote the practical quasi-zenith satellite system project) 0.7 billion**

Expenses related to the investigation to develop the practical quasi-zenith satellite system.

**III. Expenses related to Payments to Patients of Type-B Hepatitis 48.0 billion**

Expenses for payments to specified type-B hepatitis patients.

**Total 12,102.5 billion**

(Note1) In the Fiscal Investment Loan Program (FILP), 1,342.1 billion yen is added for organizations including the Japan Finance Corporation (JFC).

(Note2) In the general provisions of the special account budget, the 150 trillion yen ceiling (the initial budget for FY2011) of issuance of the Foreign Exchange Funds Financing Bills in the Foreign Exchange Funds Special Account is increased to 165 trillion yen, to enable expeditious response to any movement in the foreign exchange market with enough leeway.

(Note3) In addition, the 2 trillion yen ceiling of subsidy bonds, which is to capitalize the Nuclear Damages Compensation Support Organization in accordance with the law on the Nuclear Damages Compensation Support Organization, is increased to 5 trillion yen in the general provisions of the Special Account budget.

(Note4) Figures may not add up to the totals due to rounding.