Current Status of Reconstruction and Challenges

Reconstruction progress of the five years and the policies ahead
1. Providing Health and Living Support
2. Restoration of Towns and Housings
3. Reviving Industry and Livelihoods
4. Revitalizing and Reconstructing Fukushima
5. Creation of “New Tohoku”


Appendix
• Budget for Reconstruction
• The Process and Prospects for Reconstruction

August, 2016
## Reconstruction progress of the five years and policies ahead

### 1. Providing Health and Living Support

**Achievement**
The number of evacuees has decreased from approx. 470,000 to 150,000. Physical and mental care is essential in the prolonged evacuation life.

**Measures**
Support for healthy life at temporary housing, community building, consultation system for rebuilding houses

### 2. Restoration of Towns and Housings

**Achievement**
- Relocation to upland and building houses: at the height of construction.
- Private house rebuilding on their own is promoted.
- *Public house: approx. 19,000/30,000 units (63% completed) → 86% by March, 2017, 97% by March, 2018*
- *Relocation to upland: approx. 9,000/20,000 units (47% completed) → 69% by March, 2017, 91% by March 2018*
- The removal of debris and restoration of public infrastructure: almost completed.

**Measures**
- Speed up the remaining restoration works.
- Construction of transportation network (reconstruction road, railway, etc)

### 3. Reviving Industry and Livelihoods

**Achievement**
- Industrial Production Indices recovered the level of pre-earthquake. Employment environment has improved. Much of Tsunami-affected farmland is available for farming.

**Measures**
- Support for industries with stagnant sales affected by negative reputation such as marine processing industry.
- Support for stores reopening in the newly developed town.
- Assistances in inviting new companies/restarting business operation in areas previously under evacuation orders to encourage returning and rebuilding livelihood.

### 4. Revitalizing and reconstructing Fukushima

**Achievement**
- Evacuation orders were lifted in some areas (Tamura city(2014.4), Naraha town(2015.6), Katsurao Village (2016.6(a part of village)), Kawauchi village(2016.6, 2014. 10), Minami-soma city (2016,7).
- Decontamination of 7 municipalities out of 11 has finished. (By the national government)
- Beginning of the construction of Interim Storage Facility and the soil transportation.
- Restoration of wide-area infrastructure (National Route 6 (2014.9~), Joban Highway (2015.3~))

**Measures**
- Evacuation orders will be lifted gradually by March 2017, except for difficult-to-return-zone.
- Development of environment to prepare for return (decontamination, construction of interim storage facility, infrastructure restoration, reopening daily-life related service, etc.), wide-area infrastructure development.
1. Providing Health and Living Support

**The health and mental support for evacuees must be put first for the prolonged evacuation life.**

**(1) Policies and Achievements**

1. The number of evacuees: approx. 470,000 → 150,000 (July, 2016)
   Evacuees in temporary housing: approx. 50,000 persons (June, 2016)

2. Providing medical treatment, nursing care and mental care.
   (approx. 111 support centers)
   Assigning approx. 1,150 consulting staff for observation.

**(2) Challenges and Measures**

1. Speed up housing reconstruction and promote settlement to permanent houses.

2. Seamless support responding to new stage of reconstruction
   • Continuously provide health care and mental support.
   • Support community building, Create motivation in life, “Mental recovery” project
   • Consultation system for rebuilding houses.
2. Restoration of Towns and Housings

(1) Policies and Achievements

① Housing Reconstruction: speeding up by acceleration measures
(simplified procedures for site acquisition, raising the rate for construction labor)

(a) New housing by relocation to uplands (plan: 20,000 units)
  Completion: Approx. 9,000 units (As of June, 2016): 46.7%
  Schedule: Approx. 14,000 units/69.4% (by March 2017), 18,000 units/91% (by March 2018)

(b) Public housing for the disaster-affected (plan: 30,000 units)
  Completion: Approx. 19,000 units (As of June, 2016): 62.5%
  Schedule: Approx. 25,000 units/85.9% (by March 2017), 28,000 units/96.6% (by March 2018)

(c) Rebuilding private houses (on their own)
  Approximately 130,000 cases*

② School facilities and Medical facilities: 90% completed.
③ Disaster Debris removal* and Public Infrastructure: almost restored.

(2) Challenges and Measures

① Administrative assistance for construction progress management, assistance for rebuilding houses on their own.
② Development of transportation network and medical, nursery care service in new town.
③ Development of transportation and commercial logistic network (e.g. reconstruction road)

* The number of cases in which the grant for “Life Rebuilding for the Affected People” was distributed.
* excluding the areas under evacuation orders.
2. Restoration of Towns and Housings
~Prospect for housing reconstruction projects~

- 48 municipalities are scheduled to complete housing projects by the end of FY2016 (out of 67 municipalities* which applied for Reconstruction Grant.) (as of March 2016)
- Remaining 19 municipalities are scheduled to complete housing projects by around FY2018.

**48 municipalities** (scheduled to complete by the end of FY2016)

- Kamaishi city, Higashimatsushima city, Shiogama city, Shichigahama town, Tagajo city, Fukushima city, Shinchi town, Nihonmatsu city, Iwaki city, Hirono Town

**10 municipalities** (scheduled to complete by the end of FY2017)

**9 municipalities** (scheduled to complete by the end of FY2018)

*“housing projects” include: “development of public housings for the disaster affected,” “project for promoting group relocation,” “land readjustment project (residential areas),” and “project for enhancing the disaster risk reduction function of fishing towns (residential areas).”

*According to “Project Plan for Reconstruction Grant” as of March 2016. The project schedule could be revised by the municipalities.
3. Reviving Industry and Livelihoods

**Focused assistance on industries suffering slow recovery (seafood processing, tourism, etc) and businesses restarting in areas where evacuation orders are removed.**

(1) Assistance Measures

Support for resuming and continuing business activities:
- Providing free temporary stores, subsidies for restoration of facilities and equipment emergency loan, measures against double loan problem.

(2) Achievements

a. Indices including shipment value of manufactured item:
   - Recovered to the level of pre-earthquake in 3 prefectures.

b. Business recovery:
   - 74% of the Tsunami-affected farmland have recovered.
   - 87% of seafood processing industry have restarted business.

c. Sales recovery:
   - Approx. 45% of companies have recovered to the pre-earthquake level.
   (Sales recovery rate varies: Construction industry 80%, Marine and food processing industry 30%)

(3) Measures to be taken

a. Support for Tourism heavily affected by negative reputations
   - Designate 2016 as “First Year of Tohoku Tourism Recovery”

b. Support for industries that are struggling to recover sales after restarting the business.
   - Assistance for Seafood processing industry: individual consultation for market recovery, introduction of new processing facility, etc.

c. Support for new business launched in the newly developed town for the vibrant recovery.

d. Assistances in inviting new companies/ restarting business operation in areas of Fukushima Prefecture previously under evacuation orders to encourage returning and rebuilding livelihood.
4. Revitalizing and Reconstructing Fukushima

Preparing the environment for lifting evacuation order by March 2017.

(1) Recovery Status

① Areas under Evacuation Order
- 3 types of evacuation order:
  - return is difficult (red)
  - habitation is restricted (yellow)
  - preparing to lift orders (Green)
→ Yellow/Green Area will be lifted no later than March 2017.
- Lifting of the evacuation orders
  - Tamura City (April 2014), Naraha Town (September 2015),
  - Katsurao Village (partial lifting, June 2016), Kawauchi Village (June 2016),
- Outline for difficult-to-return-zone review will be presented by summer 2016.

② Evacuees
- Total number from Fukushima Prefecture: Approx. 92,000 (As of June. 2016)
- Providing the same level of public service at municipalities receiving evacuees.
- Providing consultation service responding to concerns including radiation.

(2) Preparing the environment for returning
- Decontamination, building interim storage facility, infrastructure restoration, resumption of services necessary for daily life.
- Promotion of "Innovation Coast Design," and "Fukushima New Energy Society Design."
- Public-private-joint team visits 8,000 local companies to provide consultation service responding to their individual needs.

(3) Development of wide-area transportation network
- Joban Highway: beginning of construction of 4 lanes (Iwaki-Hirono, Yamamoto-Iwanuma)
- JR Joban Line: full restoration (Namie-Tomioka to be restored by March 2020)
4. Revitalizing and Reconstructing Fukushima

(4) Ensuring safety and promoting settlement
- Radiation Risk Communication
- Measures against negative reputation
- Improvement of playground facilities for ensuring children’s exercise opportunities
- Implementation of “Future Vision for 12 municipalities”
- Promotion of “Innovation Coast Design”
- Assistance for restart of the business by public-private-joint team.

(5) Status of the Accident Recovery (By Nuclear Emergency Response Headquarters)

① Decommissioning of the Reactors
- The power plants are under cold shutdown. Fuel removal of unit 4 completed in 2014.
- Measures against contaminated water are underway.

② Decontamination
- Evacuation order areas (by the national government) (as of June, 2016)
  Wide Area: finished in 7 municipalities/among 11 municipalities
- Fukushima Prefecture (by the municipal governments) (as of April, 2016)
  Finished approx. 80% of public facilities, 90% of residential area, 50% of roads/among 36 municipalities
- Interim Storage Facility
  Beginning of the construction and the soil transportation.

③ Compensation
- Payment of indemnification is underway.
  Compensation for mental damage, damages to commercial sales, damages to incapacity, damages to real estate and home contents and home recovery.
5. Creation of “New Tohoku”

1. Basic Concept

- The challenges which Tohoku region is facing after the disaster, such as depopulation, population aging, and hollowing out of industry, etc., are common in rural areas in Japan and seen nationwide.
- While housing and infrastructure construction is steadily in progress, revitalization of towns and villages requires recovery of people’s active participation.
- Taking advantage of know-how and ideas of the private sector, academia, and NPOs, multilateral sectors will collaborate for the promotion of projects. “New Tohoku” projects are aiming at creation of a new model that can be applied to nationwide.

2. Principles for Promotion and Measures to Enhance the Projects

**Principles for Promotion**

1. Acceleration of leading models, development in other areas
2. Utilizing human resources, know-how, and finance of private sectors
3. Promoting information sharing and business matching by providing opportunities

**Enhancing Measures**

- Shift from new model building to development and sharing in other areas.
- Branding of “New Tohoku”
- Collaboration with local revitalizing project (e.g. utilizing the programs, information sharing with local revitalizing projects.)
5. “New Tohoku” Leading Model Project

Publicly seek and support leading initiatives in disaster-affected areas towards the creation of “New Tohoku”. (66 projects selected in FY 2013, 95 projects in FY 2014, 55 projects in FY 2015)

【Examples of Projects】

<table>
<thead>
<tr>
<th>Creation of playgrounds to nurture children’s growth</th>
<th>Promotion of “Next-generation Integrated Community Care System”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of activities to build new playgrounds for children with the active participation of local residents and volunteers. Contribute to the formation of a new local community in public housing for disaster victims.</td>
<td>Development of mechanisms to support local residents that have health problems due to the disaster, in cooperation with persons involved in welfare, medical and nursing care, and living support, such as the local government, businesses, and local residents, as well as medical and nursing professionals.</td>
</tr>
</tbody>
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<thead>
<tr>
<th>Creation of “sixth industry” using heat from hot springs</th>
<th>District disaster plans made by local residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultivation of vegetables and fruit in plant factories with the use of thermal energy from hot springs, and the creation of fish farming facilities on land using cooled water from binary power generation, with the aim to create dynamic “eco-hot springs.” Development of “sixth goods” by using these products and hands-on tour for learning power generation.</td>
<td>Creation of district disaster plans by residents with the shared expertise and local experiences through open workshops and development of individual “evacuation information sheet”. Development of all-purpose know-how for expansion to other areas.</td>
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<thead>
<tr>
<th>Realization of new agricultural model in semi-mountainous areas</th>
<th>Improvement of brand value of ryokans (inns)</th>
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</thead>
<tbody>
<tr>
<td>Establishment of low-cost and labor-saving farming methods using plant factories in semi-mountainous areas. Examination of functional production methods and the label of maintenance of freshness for vegetables, with the aim to develop new markets.</td>
<td>Creation and start of full-scale operation of a business model through a reservation site for ryokans (RYOKAN EXPERIENCE) that does not charge fees to ryokans for reservations made through the site, with an aim to improved value of ryokans on the global market.</td>
</tr>
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<tr>
<th>Development of highly-functional food products from unused resources on the seashore</th>
<th>Development of “Recommended Brands from Tohoku Department Stores”</th>
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<tbody>
<tr>
<td>Practical use of unused marine products that are not in circulation on the market, aiming towards the establishment of a sustainable local industry. Development of new products with a focus on functionality and high-value addition.</td>
<td>Provision of advice on product development with the input of expertise, information collection abilities, and experience of current and former buyers at department stores to develop catalogues and implement promotional activities nationwide, aiming towards expanding the market for the superior products of Tohoku by changing from “support” to “collaboration.”</td>
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</table>
5. Expansion of the “Model” to Other Areas

Regional Development Network

- Detailed support in accordance with the needs of each municipality, targeting municipalities that are carrying out new initiatives using the know-how of leading model projects, to solve regional problems.
- ※Support offered to 9 municipalities in FY 2015
  【 → Project for hands-on support (local government version) 】
- In addition, sharing advanced know-how and exchange of ideas and opinions both inside and outside disaster affected areas, and initiatives to revitalize local government organizations.

【Examples of Project for Hands-on Support (local government version)】

**[Kuji City, Iwate Prefecture]**
Expand non-resident population with a focus on the Kuji Moguranpia Science Museum

This project aims to develop new products and expand the non-resident population in cooperation with local shops and high school students, in conjunction with the reopening of the Kuji Moguranpia Science Museum.

**[Shiogama City, Miyagi Prefecture]**
Island Revitalization using Agriculture and Fisheries of the Urato Islands

In cooperation with the four Urato Islands, this project aims to expand the non-resident population and train/develop farmers and fishermen through green tourism using the appealing points of the islands.

**[Koriyama City, Fukushima Prefecture]**
Local residents as Main Actors! Creation of Accessible Space for Local Residents

This project aims to create an accessible space for local residents by taking advantage of the characteristics of the region, as well as to develop and expand the use of preventative care tools, such as calisthenics.

**[Kawauchi Village, Fukushima Prefecture]**
Support for Returning Residents based on Communities and Industry

This project aims to further improve the rates for residents returning to villages by strengthening functions for the revitalization of local industry and formation of community centers, in conjunction with the start of occupancy of village-run reconstructed public housing.

Unprecedented measures are created for responding to the unprecedented disaster.

(1) Centralization of government response
   Newly created agency, One-stop service, Securing fund for 10 years (¥32Trillion)

(2) Extensive national assistance for local municipalities
   Financial grant, Human Resources from nationwide local governments (approx. 87,000 people)

(3) Support for the disaster affected people
   Community building, health care, nationwide administrative service for evacuees

(4) Special measures for infrastructure restoration and town development
   Reconstruction Special Zone: simplified procedure, one stop service, etc.
   Reconstruction Grant: package grant for consolidated development projects

(5) Special measures for industrial recovery and job creation
   Group Subsidy: restoration of facilities of SMEs
   Special Zone for Reconstruction: incentives in tax & finance, simplified procedure, regulation easing.
   Job creation fund, Subsidy for employing people who lost job due to the disaster.
### Budget for Reconstruction

#### Area

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<tbody>
<tr>
<td>Providing Health and Living Support</td>
<td>2.1</td>
<td>0.4</td>
<td>2.5</td>
</tr>
<tr>
<td>Rebuilding of Houses and Reconstructing Communities</td>
<td>10.0</td>
<td>3.4</td>
<td>13.4</td>
</tr>
<tr>
<td>Reviving Industry and Livelihoods</td>
<td>4.1</td>
<td>0.4</td>
<td>4.5</td>
</tr>
<tr>
<td>Revitalizing and reconstructing Fukushima</td>
<td>1.6</td>
<td>0.5</td>
<td>2.1</td>
</tr>
<tr>
<td>Others</td>
<td>7.8</td>
<td>1.7</td>
<td>9.5</td>
</tr>
<tr>
<td>Total</td>
<td>25.5</td>
<td>6.5</td>
<td>32.0 (263 billion USD)</td>
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### Financial Resources

- **Already Budgeted**: 26.3 trillion yen
  - Spending Cut
  - Non-tax Revenue
  - Special Tax for Reconstruction(※)
  - Gain on Sale of Japan Post Shares

- **Estimated**: 28.8 trillion yen
  - Excess in Tax Revenue

- **Additional Resources**: 3.2 trillion yen
  - Transfer from General Account
  - Non-tax Revenue
  - (※) Income Tax (25yrs), Corporate Tax(3ys ⇒ 2ys), Local Income Tax (10yrs)

- **Total**: 32.0 trillion yen