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The Decommissioning and Contaminated Water Management Project Implementation Guidelines are established as follows:

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Minister of Economy, Trade and Industry

Decommissioning and Contaminated Water Management Project Implementation Guidelines

Article 1 General

The objectives of these Guidelines are to improve national scientific and technological capabilities and ensure the smooth implementation of the decommissioning and contaminated water management by granting the subsidy for the Project of Decommissioning and Contaminated Water Management (hereinafter referred to as “Subsidy”), and establishing and utilizing the Fund for the Decommissioning and Contaminated Water Management (hereinafter referred to as “Fund”) to conduct a project to support development of technologies which can contribute to the decommissioning and contaminated water management.

Article 2 Details of Work

A corporation establishing and managing the Fund (hereinafter referred to as “Fund Establishing Corporation”) shall undertake the project of decommissioning and contaminated water management (hereinafter referred to as “Subsidized Project”) defined in Article 4 hereof on commission to a project operating entity appointed by the Minister of Economy, Trade and Industry (hereinafter referred to as “Commissioned Entity”) by making use of the Fund based on the Subsidy. The Minister of Economy, Trade and Industry may, if it becomes difficult for the Commissioned Entity to implement the Subsidized Project or when the term of the commission agreement expires, and the Subsidized Project needs to be continued, let the Fund Establishing Corporation continue the Subsidized Project.

1. Establishment of the Fund

Based on the Decommissioning and Contaminated Water Management Project Cost Subsidy Grant Guidelines (hereinafter referred to as “Grant Guidelines”), the Fund shall be established based on the Subsidy from the national government.

2. Public announcement of the basic information on the Fund

After the establishment of Fund, the Fund Establishing Corporation shall immediately make the public announcement concerning the name and amount of the Fund, amount of the national government subsidy forming part of the Fund, outline of the Fund project, expiration date of the Fund project, intervals of regular revision, and objectives of the Fund project.

3. Management and operation method of the Fund

(1) The Fund Establishing Corporation shall manage the resources belonging to the Fund using the following methods:

(i) The Fund shall be managed in a manner which guarantees the safety of resources and transparency of the resource management. The specific method for managing the Fund shall be approved by the Minister of Economy, Trade and Industry in advance.

(ii) The assets which may be retained for the operation of the Fund shall be as shown below, and other assets shall be approved by the Minister of Economy, Trade and Industry in advance:

- Acquisition of national government bonds, local government bonds and other beneficial, valuable securities
- Deposits in financial institutions (i.e. ordinary deposits and fixed deposits)
- Beneficiary rights to money trusts under the contracts with the rules for covering any losses of principal

(2) The payment of the Subsidized Project shall be made from the Fund based on the report issued by the Commissioned Entity concerning the determination of the amount of the Subsidy to be granted to the subsidized entity defined in Article 4 hereof.

(3) The Fund shall be managed in accordance with (1) above if the amount which the subsidized entity defined in Article 4 hereof is ordered by the Commissioned Entity to refund in connection with the disposal of the acquired assets (i.e. use, transfer, exchange, rental or mortgaging in breach of the objectives of the grant), etc. is paid to the Fund Establishing Corporation.

(4) The proceeds from the operation of the Fund and the dissaving of the Fund shall be applied to cover the costs for implementing the project under Article 4 hereof and the related necessary administrative work, as well as the costs for managing the Subsidized Project and for managing and operating the Fund, and shall not be diverted for other purposes.

(5) In advance of the payment from the Fund, documents showing the exact amount to be paid, its breakdown and grounds, and the balance of the Fund shall be prepared and submitted to the Minister of Economy, Trade and Industry for approval.

4. In case where the Fund management becomes difficult

The Fund Establishing Corporation shall, if it becomes difficult to conduct the Fund management, immediately inform the Minister of Economy, Trade and Industry thereof and follow its direction.

5. Fund management period, etc.

- (1) The Fund management period shall start when the grant of the Subsidy is determined during FY 2014 and end when the settlement relating to the project is complete, and the Fund shall be dissolved at the completion.
- (2) The Minister of Economy, Trade and Industry may, in the following cases in addition to the case defined in (1) above, order the termination or change of the Fund management:
 - (i) If the Fund Establishing Corporation breaches the provisions of the Act on Regulation of Execution of Budget Pertaining to Subsidies, etc. (Act No. 179 of 1955; hereinafter referred to as "Rationalization Act"), the Order for Enforcement of the Act on Regulation of Execution of Budget Pertaining to Subsidies, etc. (Cabinet Order No. 255 of 1955; hereinafter referred to as "Enforcement Order"), other laws and regulations, the Grant Guidelines, these Implementation Guidelines, or any measures or directions issued by the Minister of Economy, Trade and Industry based on them.
 - (ii) If the Fund Establishing Corporation uses the Fund for any purposes other than those defined in these Implementation Guidelines.
 - (iii) If the Fund Establishing Corporation has engaged in fraudulence, negligence, or any other inappropriate conduct with respect to the Fund operation.
 - (iv) If it becomes no longer necessary to continue the Fund entirely or partly.
- (3) The Minister of Economy, Trade and Industry may, when ordering the termination or change of the Fund management under (2) above, order the application of the amount corresponding to the amount spent from the Fund to the Fund by designating the time limit.
- (4) If the amount is not applied to the Fund by the time limit defined under (3) above, the Ministry of Economy, Trade and Industry shall also order the application of the delinquent charge calculated with the 5.0% annual interest in accordance with the period of absence of the payment to the Fund.
- (5) Any refund from an entity undertaking the Subsidized Project to the Fund after the Fund is dissolved must be refunded to the national treasury.

6. Handling of the balance of the Fund

Any balance of the Fund upon the termination of the Subsidized Project shall be refunded by the Fund Establishing Corporation to the national treasury in accordance with the procedure separately established.

7. Fund accounting, etc.

- (1) With regards to the Fund accounting, the Fund Establishing Corporation must keep books clearly separated from other accounting items, and maintain records of the revenue and expenditure related thereto so as to clarify how the Fund is used.
- (2) When undertaking the accounting under (1) above, the Fund Establishing Corporation must prepare documents demonstrating the details of its expenditure, and retain them along with the accounting book for five (5) years after the end of the fiscal year containing the completion date of the Fund management in order to ensure that they may be available whenever requested by the Minister of Economy, Trade and Industry.

8. Fund inspection, etc.

- (1) The Minister of Economy, Trade and Industry may, if it deems it necessary for

guaranteeing the appropriateness of the Fund and the Subsidized Project, request the Fund Establishing Corporation to submit the report, or order its personnel to visit the premises of the project, to inspect the related books, documents and other materials, or to question the involved parties.

- (2) The Minister of Economy, Trade and Industry may, if any fact not conforming to the provisions of the Rationalization Act, the Enforcement Order, other laws and regulations, the Grant Guidelines or these Implementation Guidelines is identified, order the Fund Establishing Corporation to take measures necessary to ensure the conformity.

9. Report of important changes relating to the Fund Establishing Corporation

The Fund Establishing Corporation shall promptly inform the Minister of Economy, Trade and Industry any changes which may affect the Fund management or the guidance and supervision of the Subsidized Project, such as change of the representative, transfer of the office, change of the officers involved in the Fund management or guidance and supervision set forth in Article 3 hereof, and any significant change in the project implementation system.

10. Refund of the surplus

- (1) The Minister of Economy, Trade and Industry may, if it recognizes surplus in the Fund as a result of the inspection conducted under paragraph 8. or the change in the implementation system under paragraph 9., request the Fund Establishing Corporation to refund the surplus.
- (2) If requested to refund the surplus under (1) above, the Fund Establishing Corporation must refund the surplus to the national treasury immediately. Any ambiguity in the calculation of the surplus shall be negotiated separately with the Minister of Economy, Trade and Industry.

11. Observance of the Fund criteria, etc.

- (1) The Minister shall instruct and supervise the Fund Establishing Corporation to ensure the conformity to the “Criteria for the fund, etc. established by the grant of the subsidies, etc.” (Cabinet decision on August 15, 2006; hereinafter referred to as “Fund Criteria”), and take necessary measures under the Fund Criteria.
- (2) The Fund Establishing Corporation shall take necessary measures under the Fund Criteria to ensure the conformity to each criterion stipulated in Rules 3 and 4 of the Fund Criteria.

Article 3 Guidance and Supervision of the Subsidized Project Implemented by the Fund Establishing Corporation

The Fund Establishing Corporation shall provide the guidance and supervision as provided below to ensure that the Subsidized Project is undertaken appropriately and smoothly:

1. Understanding the progress of the project by receiving the report and report to the national government thereof

- (1) The Fund Establishing Corporation shall receive report from the Commissioned Entity under paragraph 5 of Article 4 hereof, request any report necessary to understand the progress of the Subsidized Project and ensure its appropriate and smooth implementation, and provide the Minister of Economy, Trade and Industry with information obtained accordingly in a timely and appropriate manner.
- (2) The Fund Establishing Corporation shall be informed by the Subsidized Entity of the

earnings conditions, etc. relating to the Subsidized Project after it is complete, and report the Minister of Economy, Trade and Industry upon request.

2. Guidance for the Commissioned Entity

The Fund Establishing Corporation shall, if there is any factor which impedes or may impede the appropriate and smooth implementation of the Subsidized Project, promptly inform the Minister of Economy, Trade and Industry thereof to ask for direction, and provide the Commissioned Entity with necessary guidance for improvement to be taken.

Article 4 Decommissioning and Contaminated Water Management Project (Commissioned Project based on the Fund)

The Fund Establishing Corporation shall implement the work relating to the grant of the Subsidy for a subsidized entity for the purpose of meeting the objectives set forth in Article 1 hereof through the use of the Fund (hereinafter referred to as "Subsidy" in Article 4 hereof) by commission to the Commissioned Entity. The Fund Establishing Corporation shall obtain approval from the Minister of Economy, Trade and Industry in advance with regard to the terms and conditions of the commission agreement.

1. Amount of the cost for the project

- (1) The Fund Establishing Corporation shall make and enter into a commission agreement with the Commissioned Entity with regard to a certain amount of the cost for the Project (hereinafter referred to as "Commission Cost") which is deemed appropriate by the Fund Establishing Corporation and does not exceed the amount of the Fund.
- (2) The Commission Cost shall be classified as shown in Schedule 1.

2. Subsidy targets and rate

The subsidy target projects, subsidy target costs, project names, their classifications and subsidy rate are as listed in Schedule 2.

3. Approval of the grant rules

- (1) When implementing the project, the Commissioned Entity shall establish independently the grant rules concerning the procedure for granting the Subsidy, etc., and obtain approval from the Minister of Economy, Trade and Industry and the Fund Establishing Corporation. This shall also apply when revising such grant rules.
- (2) The grant rules shall contain the following items:
 - (i) Definition of the grant target requirements and subsidy rate
 - (ii) Application for grant and report on the achievement
 - (iii) Determination of the grant, the amount of subsidies, etc.
 - (iv) Withdrawal of the application
 - (v) Approval of the modification of plans, etc.
 - (vi) Payment of the Subsidy
 - (vii) Cancellation of the determination of the grant, etc.
 - (viii) Asset management, etc.
 - (ix) Other necessary items

4. Details of the project and arrangement of implementation system

The Commissioned Entity shall implement the following projects, and must arrange the system for taking the following responses appropriately to ensure the smooth implementation of the project:

- (1) Public offering of the project
- (2) Evaluation and selection of the project (including the establishment and operation of the third-party panel)
- (3) Work relating to the decision of the grant for the project (acceptance of the application for the grant, issuance of the grant decision notice, etc.)
- (4) Management of the progress of the project, inspection for confirmation, payment procedure and inquiries concerning the project
- (5) Familiarization with the project
- (6) Responses to the inquiries, opinions, etc. concerning the project
- (7) Responses to the project in English and to other matters required for the project management.

5. Guidance, supervision, etc.

- (1) The Minister of Economy, Trade and Industry and the Fund Establishing Corporation shall provide guidance and supervision in accordance with these Guidelines with regard to the implementation of the project by the Commissioned Entity.
- (2) The Commissioned Entity shall, to obtain approval for commencing the project to be selected as requested by an applicant for the Subsidized Project, negotiate with the Minister of Economy, Trade and Industry and the Fund Establishing Corporation and obtain their approval.
- (3) To select the Subsidized Project, the Commissioned Entity shall establish the third party panel, listen to the opinions on the application forms, etc., and at the same time negotiate with the Minister of Economy, Trade and Industry and the Fund Establishing Corporation.
- (4) For the purpose of selecting the Subsidized Project, the Minister of Economy, Trade and Industry and the Fund Establishing Corporation may request a conference with the Commissioned Entity, and provide guidance and advice as necessary, prior to the selection.
- (5) If there is any ambiguity or problem in the implementation of the project, the Commissioned Entity shall report the Minister of Economy, Trade and Industry and the Fund Establishing Corporation thereof without delay.
- (6) The Commissioned Entity shall, to conduct on-site inspection to manage the progress of the Subsidized Project implemented by the subsidized entity or upon the completion of the Subsidized Project, consult with the Minister of Economy, Trade and Industry with regard to the method and other matters necessary to conduct on-site inspection.
- (7) If consulted under (6) above, the Minister of Economy, Trade and Industry shall send relevant personnel to attend on-site inspection, as necessary.
- (8) The Minister of Economy, Trade and Industry and the Fund Establishing Corporation may request the Commissioned Entity to report the progress of the project, and provide guidance and advice for improvement, as necessary.
- (9) The Commissioned Entity shall promptly report any significant changes in the system for office work concerning the project or circumstances which affect the project to the Minister of Economy, Trade and Industry and the Fund Establishing Corporation.

(10) The Commissioned Entity shall implement the project in accordance with the guidance and advice of “new support system”, if established, as determined in the document “To accelerate the reconstruction of Fukushima after the nuclear disaster” (issued by the Nuclear Emergency Response Headquarters on December 20, 2013).

6. Settlement and refund of the balance after the completion of the project

After the project is complete, the Commissioned Entity shall make settlement, and refund any residual amount of the resources received from the Fund for incurring the Commission Cos to the Fund.

7. Miscellaneous

The Commissioned Entity shall promptly negotiate with the Minister of Economy, Trade and Industry and the Fund Establishing Corporation for any ambiguity herein, any issue which may not be readily solved hereunder or any specific matter not defined hereunder, and follow their direction.

(1) Handling of the costs relating to the damage caused by the Commissioned Entity to other party in connection with the implementation of the project

If the Commissioned Entity causes damage, etc. to other party in connection with the implementation of the project, the accompanying costs may not be paid from the Fund based on the degree of intent or negligence of the Commissioned Entity.

(2) Other

The Commissioned Entity shall promptly negotiate with the Minister of Economy, Trade and Industry and the Fund Establishing Corporation for any ambiguity herein, any issue which may not be readily solved hereunder or any specific matter not defined hereunder, and follow their direction.

Classification of Commission Cost

Classification	Details
Operation management cost	Labor cost, travel cost, Review Committee cost, communication cost, etc. (i.e. bank transfer fee, postage fee, communication cost, connection fee and consumable cost), document storage cost, system operation cost (i.e. system development cost, and maintenance and repair cost), survey cost, computer rental cost, etc., office maintenance cost, utility cost, general management cost, and outsourcing cost

Subsidy Targets and Rate

Project name	Element technology development and feasibility survey
Outline	Expenses required for undertaking the Decommissioning and Contaminated Water Management Project (i.e. project to support the feasibility survey and the element technology development for technically challenging efforts which contribute to the decommissioning and contaminated water management)
Classifications	Labor cost, raw material cost, consumable cost, design, production and processing costs, facility and equipment cost, procurement cost, survey cost, outsourcing cost, travel cost, rewards, rents, depreciation, and other expenses necessary for undertaking the project
Subsidy rate	1/2, fixed rate
Upper subsidy limit	4 billion yen
Subsidized Project period	End of FY 2016