

Amendment of the Administration Regulations for the National
Research and Development Agency Council under the Ministry of
Education, Culture, Sports, Science and Technology (MEXT)
(Draft)

1. Outline

Pursuant to the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999), the National Research and Development Agency Council has a duty to deliver opinions based on the scientific knowledge and international standards taking into account the long-term performance, uncertainty and unpredictability of research and development, when the competent minister develops, changes and evaluates the objectives of Research and Development Agencies.

In these days, from the viewpoint of securing the maximum achievement by the Incorporated Administrative Agencies, a national research and development agency system has been established and a designated national research and development agency system has been established in order to promote, create and utilize the world's top level results of research and development. It is essential to carry out flexible examination and review from a cross-functional viewpoint which is a common approach to maximize the function of each National Research and Development Agency taking into consideration its characteristics, as well as with a view to strengthening the functions expected from these Agencies as described in the Science and Technology Basic Plans and other plans.

Thus, the Administration Regulations for the National Research and Development Agency Council under the Ministry of Education, Culture, Sports, Science and Technology should be amended in order to establish a "Committee" to conduct flexible examination and review from a cross-functional viewpoint which is common in all Agencies.

2. Reference provisions

- **Act on General Rules for Incorporated Administrative Agencies (Extract) (Act No. 103 of 1999)**

(Mid to Long-term Objectives)

Article 35-4 (1) The competent minister must set objectives concerning the administration of the operations to be achieved by a National Research and Development Agency during a period of not less than five years and not more than seven years (hereinafter referred to as "Mid to Long-term Objectives"), and give instructions to the National Research and Development Agency with regard to these objectives and make them public. The same applies when the minister revises those objectives.

(2) (Omitted)

(3) When the competent minister intends to set or revise the Mid to Long-term Objectives, the minister must hear the opinions of the Committee in advance.

(4) When the competent minister intends to hear opinions concerning the Mid to Long-term Objectives pursuant to the provisions of the preceding paragraph, the minister must hear the opinions of the Council, etc. (meaning the organ provided for in Article 37 or Article 54 of the Act for Establishment of the Cabinet Office (Act No. 89 of 1999) or Article 8 of the National Government Organization Act (Act No. 120 of 1948)) which is specified by Cabinet Order (hereinafter referred to as the "Council for Research and Development") with regard to the matters concerning the processes and services in Research and Development (other than those specified by Cabinet Order as minor processes or services; the same applies in Article 35-6, paragraph (6) and Article 35-7, paragraph (2)) in advance.

(Evaluation on Operational Performance in Each Business Year)

Article 35-6 (1) A National Research and Development Agency must undergo

an evaluation conducted by the competent minister after the end of each business year with regard to the matters specified in each of the following items according to the business year among the years set forth respectively in these items to which the relevant business year corresponds:

- (i) a business year other than the business years set forth in the following item, and item (iii): the operational performance during the relevant business year;
- (ii) the business year immediately preceding the last business year within the Period for the Mid to Long-term Objectives: the operational performance during the relevant business year and the results of the operations during the Period for the Mid to Long-term Objectives that are expected to be achieved by the completion of the Period for the Mid to Long-term Objectives; or
- (iii) the last business year within the Period for the Mid to Long-term Objectives: the operational performance during the relevant business year and the operational performance during the Period for the Mid to Long-term Objectives.

(2) If the term of office of the first President of a National Research and Development Agency to be appointed on or after the first day of the Period for the Mid to Long-term Objectives is specified pursuant to the provisions of the proviso to Article 21-2, paragraph (1), or the term of office of the president of a National Research and Development Agency who is deemed to be appointed at the time of its formation pursuant to the provisions of Article 14, paragraph (2) is specified pursuant to the provisions of Article 21-2, paragraph (2), such National Research and Development Agency must undergo an evaluation conducted by the competent minister after the end of the business year in which the last day of the term of office of such president of the National Research and Development Agency (hereinafter referred to as the "First President of the National Research and Development Agency" in this paragraph) (including the term of office of the president of the National Research and Development Agency appointed to fill a vacancy) falls, with regard to the operational performance during

the period between the business year in which the date of appointment of the First President of the National Research and Development Agency falls and the end of the business year in which the last day falls, beyond the evaluation under the provisions of the preceding paragraph.

(3) (Omitted)

(4) (Omitted)

(5) (Omitted)

(6) When the competent minister intends to conduct the evaluation referred to in paragraph (1) or paragraph (2), the minister must hear the opinions of the Council for Research and Development with regard to the matters concerning the processes and services in Research and Development in advance.

(Mid to Long-Term Objectives Review at the End of the Period)

Article 35-7 (1) When the competent minister conducts the evaluation on the operational performance during the Period for the Mid to Long-term Objectives that are expected to be achieved by the end of the Period for the Mid to Long-term Objectives as provided for in paragraph (1), item (ii) of the preceding Article, the minister is to make a review, by the end of the Period for the Mid to Long-term Objectives, with regard to the necessity for having the National Research and Development Agency continue its operations or maintain its organization and the overall aspects of its operations and organization, and must take measures for the discontinuation or transfer of its operations or the disestablishment of its organization or any other required measures based on the results of such review.

(2) When making the review pursuant to the provisions of the preceding paragraph, the competent minister must hear the opinions of the Council for Research and Development with regard to the matters concerning the processes and services in Research and Development.

- **Organization Order of the Ministry of Education, Culture, Sports, Science and Technology (Extract) (Cabinet Order No.251 of 2000)**

(National Research and Development Agency Council)

Article 79-1 The National Research and Development Agency Council shall deal with matters placed under its authority pursuant to the provisions of the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999).

Article 79-2 In addition to what is provided for in the preceding paragraph, necessary matters regarding the National Research and Development Agency Council shall be processed in accordance with Cabinet Order for the National Research and Development Agency Council under the Ministry of Education, Culture, Sports, Science and Technology (MEXT) (Cabinet Order No. 193 of 2015).

- **Cabinet Order for the National Research and Development Agency Council under the Ministry of Education, Culture, Sports, Science and Technology (MEXT) (Extract) (Cabinet Order No. 193 of 2015)**

(Administration of the Council)

Article 9 In addition to what is provided for in this Cabinet Order, the Council Chairman shall determine the procedures for the proceedings and other necessary administrative matters concerning the Council by consulting the Council.

- **Guidelines for Incorporated Administrative Agency Evaluation (Extract) (Minister of Internal Affairs and Communications' Decision of September 2, 2014)**

(Council for Research and Development)

The Council for Research and Development, in light of its expertise in research and development, has been established as a system only in the National Research and Development Agencies out of three categories of agencies. The competent minister is expected to play an important role in formulating the mid to long-term objectives and evaluating performance of the National Research and Development Agencies. Therefore, the Council for Research and Development should be composed of members with sophisticated knowledge and experience, focusing on both expertise and diversity.

The Council for Research and Development provides appropriate advice from a viewpoint of a third party with regard to the matters concerning the processes and services in research and development based on the social insight, scientific knowledge and international standards when the competent minister conducts fiscal year evaluation, estimated evaluation, evaluation of the operating results of the mid to long-term objective period, intermediate evaluation of the mid to long-term objective period and mid to long-term objective review at the end of the period based on the self-evaluation submitted by the National Research and Development Agencies.

At the same time, the Council also identifies validity and appropriateness of the self-evaluation and management by the Agency's President using the evaluation axis defined by the Council with the competent manager and a Agency's President at the time of formulating mid to long-term objectives and plans to provide advice to maximize the achievements of National Research and Development Agencies and to improve the Agency administration to realize an appropriate, effective and efficient operation of the business.

The Council is also committed to enhance the function of the National Research and Development Agencies, including reviewing matters essential to formulate the objectives and to conduct evaluation of the Agencies (such as matters regarding administration of the system).

○ **5th Science and Technology Basic Plan (Extract) (Cabinet Decision of January 22, 2016)**

(2) Reforming National Research and Development Agencies and Enhancing their Function

National Research and Development Agencies are organizations that tackle basic and basic research matters that are difficult to perform in the private sector, as well as the development of element technologies that contribute to the formulation of verification testing and technical standards, and the allocation of funds to other institutions for R&D expenses, all based on national and international requests with a long-term vision. As a driving force behind innovation system, they are required to work on organizational reform and enhancing their functions. R&D institute presidents are required to demonstrate outstanding management skills, such as the ability to provide and operate appropriate internal controls, as well as to pursue commercialization of technology seeds, facilitate international expansion, conduct personnel exchanges, and more. In addition, for the technologies that serve as the indispensable basis for Japan's sustainable development, R&D institute presidents are expected to facilitate the mustering of technologies and personnel for industry–academia–government collaborations and for integrating technologies in accordance with a long-term vision of the national government, taking into account Japan's international competitive standing and the ripple effects of those technologies on society.

In terms of the national strategy, as well as promoting appropriate, effective, and efficient administration and management of the corporations by setting and assessing mid to long-term goals and budgetary measures based on R&D characteristics and diversity, the government will ensure that each R&D corporation works in close partnership with the government to fulfill its role and mission, and achieves the maximum possible R&D findings.

The government will also establish a forum in which each institute's role and mid to long-term strategy can be seen and disseminated within and outside Japan. In addition, the government will strive to improve operational

performance levels in areas such as procurement for R&D in order to help increase the competitiveness of each institute, while institutions will also take measures such as streamlining procurement, reorganizing personnel systems, and enhancing systems for industry-academia-government collaboration. “Designated National Research and Development Agencies” (tentative name), which are expected to be established soon, will aim at producing R&D findings of the highest international standard and will serve as core institutions for strongly driving innovation systems. The government intends to eventually deploy these pioneering initiatives to other National Research and Development Agencies.