

The Standard for Evaluation of Incorporated Administrative Agencies under the
Jurisdiction of MEXT

June 30, 2015

Decided by the Minister of MEXT

April 1, 2017

Partial revision

June 21, 2019

Partially revised

I This Standard

1 Positioning of this standard

This standard prepares the necessary evaluation standards on incorporated administrative agencies (This excludes Japan Agency for Medical Research and Development (a national research and development agency).) under jurisdiction of the Ministry of Education, Culture, Sports, Science and Technology (MEXT) based on the “Guidelines for Evaluation on Incorporated Administrative Agency” (Cabinet Office resolution of September 2, 2014) on “Evaluation of Article 32, paragraph 1; Article 35-6, paragraphs 1 and 2; and Article 35-11, paragraphs 1 and 2” as stipulated in Article 28-2 of the Act on General Rules for Incorporated Administrative Agencies (1999 Law No 103) (hereinafter, Laws on General Rules), paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies.

2 Purpose of formulating this standard and basic principles of development

This standard was developed in consideration of the following viewpoints and the evaluation should be done on this basis by the Minister of Education, Culture, Sports, Science and Technology.

- (1) Evaluation shall be made on implementing these items, which are to be carried out by the incorporated administrative agency, in compliance with Acts, cabinet decisions, and other various governmental reform policies, and comments to be reviewed related to the agency's business operations, such as Diet deliberation, account audit, and annual budget expenditure reviews.
- (2) In light of amending the system for PDCA cycle to function satisfactorily under the auspicious of the Competent Minister with regard to evaluation of related governmental policies, reviews of administrative projects and results of administrative evaluations and audits as well as effective performance evaluations intended for incorporated administrative agencies, including items pointed out by the Committee on the System of Evaluating Incorporated Administrative Agencies and the Evaluation Committee for Incorporated Administrative Agencies, shall be made utilizing and evaluating using the guidelines, in view of the amendment to the regulations that were enacted in April 2015 as a result of an amendment to the Act on General Rules.

- (3) Evaluation shall be made through the overall rating based on the Itemized Rating in accordance with the evaluation unit (*) (hereinafter called the “Itemized Rating”) and the Itemized Rating procedure.

*Evaluation units in II 3 (3), III 4 (3), and IV 2 (3) of “Guidelines on Objectives Formulation of the Incorporated Administrative Agencies” (Minister of Internal Affairs and Communication Decision, September 2, 2014; Amended March 12, 2019) shall be shown.

- (4) Evaluation shall be conducted through the absolute evaluation based on objectives and indicators listed in the plan. Administrative works and projects related to research and development shall be evaluated based on the appropriate evaluation criteria in light of characteristics of R&D operations.

- (5) In evaluation, we shall give due consideration to characteristics of all incorporated administrative agencies’ affairs and projects, analyze factors that bring about activities results, including external factors and management issues, and implement effective evaluations that lead to improvement of business activities.

In addition, at that time, we shall consider not only purposes of said incorporated administrative agency and viewpoints of the improvement of the quality of the business, including contribution to the government's policy realization but also to changes in socioeconomic circumstances and technology innovation.

- (6) In evaluation, in light of the purpose of the establishment of the system of incorporated administrative agencies, we shall give due consideration to characteristics of administrative affairs and projects, and always keep view whether the operations are conducted effectively and efficiently, and assess how much input resources are spent in the operation in comparison with operational achievements and effects.

- (7) In evaluation, we shall take into account societal demands for each incorporated administrative agency, including prompt financial improvements.

- (8) In evaluation, we shall utilize incorporated administrative agency’s Self-Evaluation Report which makes its results clear (hereinafter called a “Self-Evaluation”) created by the agency based on the Act on General Rules for Incorporated Administrative Agencies, Article 32, paragraph 2, Article 35-6, paragraphs 3 and 4, Article 35-11, paragraphs 3 and 4.

- (9) An evaluation conducted by the competent minister is extremely important as it is required to be utilized to improve the incorporated administrative agency's business operations, and study the general organizational and operational matters, and develop new medium-term objectives. We shall ensure the practicability of evaluation by adequately and strictly evaluating the incorporated administrative agency and promoting the improvement of business based on evaluation results under the systems of simple, effective, and highly practical objective management and evaluation.

Improvements to work that are based on the results of an evaluation specifically can be the following:

* Improvements to a group with poor objectives achievement status (includes reallocation of resources)

* Further improvements to a group with good objectives achievement status (includes further focused investment of resources)

* Promoting more efforts towards improvements through evaluation of efforts towards business improvement efforts (eg, through work improvements, raising a rating on an item of “C” or below to a rating of “B” or above in the subsequent fiscal year)

(10) We shall realize evaluation, which is easily understandable to the public, to ensure transparency, and fulfill the accountability to the public (visualization) by standardizing among other ministries’ rating categories, overall rating methods, evaluation result forms and others set by the Evaluation Committee for Incorporated Administrative Agencies of the Minister of Education, Culture, Sports, Science and Technology itself in the past based on policies of the Minister of Internal Affairs and Communications and by revealing the implementation status, the progress, and achievement status of objectives/plan in a standardized Evaluation Report as well as enhancing the comparability with other incorporated administrative agencies and the preceding year's results.

(11) Results of evaluations in compliance with the Act on General Rules for Incorporated Administrative Agencies, Article 32, paragraph 4, Article 35-6, paragraph 7, and Article 35-11, paragraph 6 (hereinafter called the “Evaluation Report”) shall specify the achievement status of goals, the implementation status of the plan, and the evaluation of them in an easily understandable manner and publicize them.

3 Scope of this standard

The followings show the scope of this standard:

(1) Agencies with medium-term objectives

[1] Business performance evaluation (annual evaluation) implemented after each business year, which is stipulated in Article 32, paragraph 1, item No. 1 of the Act on General Rules for Incorporated Administrative Agencies

[2] Business performance evaluation during the period of the medium-term objectives (evaluation of the medium-term objective period)

i Business performance evaluation (estimated evaluation) during the period of medium-term objective, which is stipulated in Article 32, paragraph 1, item No. 2 of the Act on General Rules for Incorporated Administrative Agencies, implemented after the completion of the most recent fiscal year, and the last fiscal year of the medium-term objective period, and is expected at the end of the medium-term objective period

ii Business performance evaluation in the medium-term objective period (evaluation of the operating results during the period), which is stipulated in Article 32, paragraph 1, item No. 3 of the Act on General Rules for Incorporated Administrative Agencies, implemented after the completion of the most recent fiscal year of the medium-term objective period

Note: The provisions in “II Items concerning the Evaluation of the Agencies with Medium-Term

Objectives” shall be applied for the evaluation of the achievements of granting operation of the same corporation based on Article 32, paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies, which is applied in Article 26, paragraph 1 of the Act on the Promotion and Mutual Aid Corporation for Private Schools of Japan (1997 Law No 48).

(2) National Research and Development Agency

- [1] Business performance evaluation (annual evaluation) realized after each business year, which is stipulated in Article 35-6, paragraph 1, item No. 1 of the Act on General Rules for Incorporated Administrative Agencies
- [2] Business performance evaluation during the period of the mid to long-term objectives (evaluation of the mid to long-term objective period)
 - i Business performance evaluation (estimated evaluation) during the period of mid to long-term objectives, which is stipulated in Article 35-6, paragraph 1, item No. 2 of the Act on General Rules for Incorporated Administrative Agencies, implemented after the completion of the most recent fiscal year, and the last fiscal year of the mid to long-term objective period, and is expected at the end of the mid to long-term objective period
 - ii Business performance evaluation in the mid to long-term objective period (evaluation of the operating results during the period), which is stipulated in Article 35-6, paragraph 1, item No. 3 of the Act on General Rules for Incorporated Administrative Agencies, implemented after the completion of the most recent fiscal year of the mid to long-term objective period
 - iii Business performance evaluation during the period by the end of the fiscal year including the last date of the limited term of office (intermediate term) and (intermediate evaluation during the period of mid to long-term objectives) in case of the end of the term of an incorporated administrative agency head, which is stipulated in the note of Article 21-2, paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies in mid-course of the period of mid to long-term objectives, which is stipulated in Article 35-6, paragraph 2 of the act

II Items concerning the Evaluation of the Agencies with Medium-Term Objectives

1 General statement

As the purpose of agencies with medium-term objectives is Improvement of the quality of business, the evaluation that promotes both the improvement of the quality of business and the improvement in efficiency of business operations is important.

Therefore, the implementation status of the medium-term plan, and the actual and expected achievements of medium-term objectives shall be considered.

In addition, issues in business operations shall be considered, and if any problems are detected, improvement measures shall be shown. In addition, handling of improvement measures as shown in the past evaluations shall be adequately appraised.

If provisions of items related to maximization of R&D of the National Research and Development Agency are applied based on II-4 (4) of the “Guidelines on Objectives Formulation of the Incorporated Administrative Agencies” in developing objectives of administrative works and projects related to research and development as implemented by agencies with medium-term objectives, the relevant items shall be rated pursuant to provisions of items concerning the evaluation of the National Research and Development Agency (except items concerning the National Research and Development Agency Council). At the time, “National Research and Development Agency” shall be replaced by an “agency with medium-term objectives,” and “mid to long-term objectives” and “mid to long-term plan” with “medium-term objectives” and a “medium-term plan.” Even in that case, however, overall rating shall be based on the provisions of the agency with medium-term objectives.

2 Evaluation system

(1) Division that make evaluation

In evaluating operating results of agencies with medium-term objectives implementing policies, and offices/divisions with jurisdiction over agencies such said agencies that manage mid to long-term objectives shall play a central role in implementing evaluations to ensure the consistency of responsibility over the policy and appropriateness of the evaluation.

In addition, the Office for Evaluation, Policy Division, Minister's Secretariat, shall inspect evaluation results to secure objectivity of the evaluation.

3 Purposes, purports, basic policies of evaluations

All evaluations shall be conducted by the Minister of Education, Culture, Sports, Science and Technology in light of the following purposes, purports, basic policies:

(1) Annual evaluation

[1] The annual evaluation aims at contributing to the improvement of business operations after a year to be evaluated. In addition, the utilization of evaluation results for the treatment of staffs holding titles shall be considered.

[2] With regard to mid-term objectives period evaluation (projected evaluation, period's business performance evaluation), evaluation results aim at operational continuity of the agency with medium-term objectives at the end of the said period or aims to examine the requirement of organization's continuity, and check other operational and organizational matters as a whole, and develop new medium-term objectives. As such, there is a need to make a decision on validity with regard to a body that has the function to perform the policy strategies of said mid-term objectives management agency. For this purpose, it is important to grasp correctly by objective item the state of achievement of objectives that are to be achieved during said mid-term objectives period.

On the other hand, with regard to fiscal year evaluation, in view of the characteristics of a mid-term objectives management agency, which is "Business management will be left to the agency's autonomy and initiative, unlike mid-term objectives period evaluation, in each fiscal year of said mid-term objectives period, it is important that issues in business management are extracted correctly, including what are believed to become obstacles when securing the achievement of mid-term objectives on a schedule (In particular, when the achievement of objectives by the end of said objectives period becomes risky, the reason for it shall be analyzed and there is a need to correct the situation by guidance or business improvement order; depending on the results of an analysis, there also is a need to as for changes to the mid-term plan, and it is important to gasp such issues.).

For this reason, with regard to fiscal year evaluation, by implementing a specialized order that would extract issues in business management, we believe that its effect will be produced more efficiently. Thus, for example, in response to elements such as state of achievement of objectives and plans, such as importance of objective, description of objective, and characteristics of business and office work, we can focus on the following when we perform evaluations:

i) Finding cases that will help to consider improvements to issues in business management at said mid-term objectives management agency and in business management at other groups, which are believed to become obstacles in securing the attainment of objectives on a schedule when the mid-term objectives period ends, and cases that will help to consider the need and possibility of the redistribution of resources to other groups.

ii) When devising mid-term objectives, grasping the results and the state of progress when objectives are set in a way to draw a conclusion during the mid-term objectives period because the results to be achieved and their level are not clear at the end of a mid-term objectives period.

On the other hand, with regard to objectives that were set with a high difficulty level or importance level when the mid-term objectives were devised, because we believe that, in comparison to other objectives, we need to pay more attention to the state of achievements in objectives and to the state of business

management in working towards achievements, we need to make these a part of our improved focus.

“Our improved focus” above is an activity to give perform evaluations with precision, using our conventional units, for only what are important to the achievement of our objectives when the mid-term objectives period ends; whereas, with regard to the other items, we are trying to add more clarity to our evaluations by being more creative such that our evaluations become simplified and efficient. For this purpose, with regard to items that are not a part of our improved focus, in the evaluation report, on the assumption that a rating by objective item unit and its basis will be provided for all objective items, and with regard to the drafting unit for evaluation reports on ratings by each items and analysis of business performance, creativity is needed so that all evaluations become simplified and efficient. (Eg: An evaluation report shall be organized in a manner that helps the management of a national research and development agency and the minister of education, culture, sports, science and technology; evaluation reports shall describe only information that is necessary for an evaluation report.)

By the actions above, if we can bring closer together the unit for business management and self-evaluation for said national research and development agency, then we can expect that self-evaluations will become easier to utilize by improving the business of said national research and development agency itself. In light of this, when setting up a unit for, for instance, analysis of business results for an item that is not a part of our focal points, we shall communicate thoroughly with said national research and development agency, and, as much as possible, respect the reality of management of daily businesses at said national research and development agency.

- [3] In light of Self-Evaluation results by the agency with medium-term objectives on operating results in fiscal years, implementation status of said mid-term objectives management agency's operations shall be investigated and analyzed while keeping the implementation status of medium-term plan in mind and comprehensive rating shall be made for the whole achievements of operations in fiscal years.
 - [4] Regardless of the achievement status of objectives and plans, if a scandal occurs and causes damages to the trust of the entire agency, the management status of said mid-term objectives management agency with medium-term objectives in said fiscal year shall be considered, and in such a case, not only the evaluation items but also the overall rating on the agency will be reviewed and acted upon.
 - [5] If unpredictable external factors prevent normal operation of the agency or if the agency with medium-term objectives makes independent efforts towards external factors, they should be considered in a rating.
- (2) Evaluation of the medium-term objective period (estimated evaluation and evaluation of the operating results during the period)
- [1] Estimated evaluation
 - i Evaluation results aim at operational continuity of the agency with medium-

term objectives at the end of the said period or aims to examine the requirement of organization's continuity, and check other operational and organizational matters as a whole, and develop new medium-term objectives.

- ii The business performance during the period of medium-term objectives expected at the end of the period of the agency with medium-term objectives shall be investigated and analyzed in light of Self-Evaluation results related to business performance until the most recent fiscal year at the end of the objectives period and the expected business performance at the end of the period of the medium-term objectives, and comprehensive rating shall be conducted on the achievements of the medium-term objectives in general.
- iii In light of evaluation results, operational and organizational matters as a whole shall be considered. Based on the result, the abolition or transfer of projects, abolishment of the organization, or other required measures shall be taken and considerations shall be given to adequately develop new medium-term objectives.
- iv [3] and [4] of "3 (1) Annual evaluation" shall be applied to estimated evaluations. At the time, the "fiscal year" shall be replaced with the "period of the medium-term objectives."

[2] Evaluation of the operating results during the period

- i The evaluation aims at contributing to the improvement of business operations, including changes of medium-term objectives. In addition, the utilization of evaluation results for the treatment of staffs holding titles shall be considered.
- ii At the end of the period of the medium-term objectives, business performance related the period of medium-term objectives of the agency with medium-term objectives shall be investigated and analyzed in light of Self-Evaluation results related to business performance over the whole period of medium-term objectives and comprehensive rating shall be conducted on the achievement status of the medium-term objectives in general during the period of medium-term objectives.
- iii If there is any significant deviation between the estimated performance, which was used at the time of estimated evaluation, and the operating results at the end of the period of the medium-term objectives, causes shall be analyzed at the time of evaluation of the operating results during the period, and the necessity of changing the medium-term objectives shall be considered.

However, when there is no large gap, at the end of the mid to long-term objectives period, between the projected results, which were used to make the evaluation projection, and the actual results and when there is no change in a situation that requires consideration, we can use the evaluation we projected but after making necessary corrections such as updating the numbers

- iv [3] and [4] of "3 (1) Annual evaluation" shall be applied to evaluation of the operating results during the period. At the time, the "fiscal year" shall be replaced with the "period of the medium-term objectives."

4 Utilization of Self-Evaluation results

- (1) A Self-Evaluation created according to Article 32, paragraph 2 of the Act on General Rules for Incorporated Administrative Agencies shall aim at using for the implementation of the accountability to the public and independent improvement of business management by the mid-term objectives management agency with medium-term objectives. Besides, it shall contribute to the information provision for the evaluation conducted by the competent Minister of Education, Culture, Sports, Science and Technology.
- (2) The agency with medium-term objectives shall create objective Self-Evaluations, which clarify data and the analysis results necessary for evaluations by the competent Minister of Education, Culture, Sports, Science and Technology.

However, with regard to business performance evaluation, detailed information are provided in the self-evaluation report, and its information overview is provided in the business report, according to “Guideline concerning business reports of incorporated administrative agencies” (September 3, 2018 Incorporated Administrative Agency Evaluation Regulations Committee Accounting Standards Etc Subcommittee, Financial Regulations Etc. Council Financial Regulations Subcommittee Rules/Public Accounting Subcommittee).

- (3) In the annual evaluation and the evaluation of the medium-term objective period, Minister of Education, Culture, Sports, Science and Technology shall fully utilize Self-Evaluations and conduct effective and efficient evaluation while taking objectivity into consideration. When the agency with medium-term objectives submit high-quality Self-Evaluations and fulfill the accountability, evaluations shall be appropriately and reasonably conducted through the maximum utilization of the Self-Evaluations and checks from the viewpoint of their legitimacy.

In particular, with regard to fiscal evaluation, in view of the objective of improvement focus as put under 3(1)[2], when self-evaluation is “B” and the feedback based on a mark from the competent minister is also the same, with regard to the mark from the competent minister, because a confirmation of the facts that the objective was achieved and that the analysis of a self-evaluation of “B” is clearly valid are sufficient, a description of “We were able to confirmed that the evaluation result of “B” in the self-evaluation report is valid” as the description for “Reason for this rating” in the “Evaluation by the competent minister” column in the evaluation report prepared by the competent minister is adequate.

However, even in this case, we can anticipate situations such as when even one section of the analysis that led to a rating of “B” is different from the self-evaluation (In this case, a description is needed to say that it is different from the self-evaluation.) and when there is a need to indicate what is not stated in a self-evaluation (In this case, there is a need to include said indicated item.). As such, when an analysis that led to the rating and a description of the decision are different between the competent minister and said national research and development agency, there is a need to include necessary information such as “Reason that led to the rating” in the “Evaluation by the competent minister” column of the evaluation report.

- (4) Minister of Education, Culture, Sports, Science and Technology shall assess and analyze operating results of said mid-term objectives management agency with medium-term objectives and their achievement status of objectives and plans from Self-Evaluations, evaluate them from viewpoints as policy leaders such as the conformity of the agency' operations with policies and efforts and the management validity of said mid-term objectives management agency heads.
- (5) The agency with medium-term objectives shall make following efforts to contribute to the facilitation of evaluation by the competent minister as shown above in creating Self-Evaluations.

[1] We shall evaluate medium-term objectives, and indicators as stipulated in medium-term and annual plans, comparing objectives/plans with results in light of "Purposes, purports, basic policies of evaluations" in this standard (II-3), "Setting the evaluation units" (II-5), and "Evaluation methods" (II-6) (limited to those practicable as said mid-term objectives management agency).

[2] We shall objectively and specifically describe the status of business operations based on sufficient information/data to contribute to the effective management of the agency with medium-term objectives.

[3] We shall evaluate operational results, and the achievement status of objectives and plans and the management status in the agency with medium-term objectives in the minimum units suited for the characteristics of the business and office work whenever possible while fully explaining them in the evaluation process. At the time, while considering the creation of Self-Evaluation, it should not overburden said mid-term objectives management agencies, and we should pay consideration to consistency between the unified evaluation unit for appropriate Self-Evaluation and the evaluation unit used by the competent minister.

However, with an improved focus on fiscal year evaluation, the minister of education, culture, sports, science and technology shall respect the reality of daily business management at said mid-term objectives management agency as much as possible when setting a unit of drafting evaluation report by item and analyzing the business performance by an item that is not a part of improved focus, and shall make considerations such that the preparation of a self-evaluation report will not unfairly burden said mid-term objectives management agency. By doing this, with regard to the rating for each objective unit and its basis, consideration shall be made to seek only improved relationships such as the one between each objective item and the rating in a self-evaluation report.

[4] When business operational issues are detected in Self-Evaluation, the agency shall consider specific improvement measures, too.

[5] If improvement measures for business operational issues, which were detected in a Self-Evaluation or in an evaluation conducted by the competent minister, as shown, the agency shall enter into the implementation status of Self-Evaluations for the next and following years.

5 Setting the evaluation units

The Itemized Rating shall be made based on the “Guidelines on Objectives Formulation of the Incorporated Administrative Agencies,” using items with medium-term objectives established as evaluation units in principle.

Moreover, if the evaluation of operating results (estimated evaluation) during the period of the medium-term objectives requires improvement of the objective items set in the period, it shall be adequately reflected in the setting of objective items for the next period of the mid-term objectives.

To make more accurate evaluations, the Itemized Rating may be conducted in more segmentalized units than the evaluation units set on the basis of the ideas above.

Furthermore, with regard to fiscal evaluation, in improving the focus, with regard to items that will not be a part of the improved focus, in the evaluation report, on the assumption that a rating by objective item unit and its basis will be provided for all objective items, and with regard to the drafting unit for evaluation reports on ratings by each items and analysis of business performance, creativity is needed so that all evaluations become simplified and efficient. (Eg: An evaluation report shall be organized in a manner that helps the management of a national research and development agency and the minister of education, culture, sports, science and technology; evaluation reports shall describe only information that is necessary for an evaluation report.)

By the actions above, if we can bring closer together the unit for business management and self-evaluation for said national research and development agency, then we can expect that self-evaluations will become easier to utilize by improving the business of said national research and development agency itself. In light of this, when setting up a unit for, for instance, analysis of business results for an item that is not a part of our focal points, we shall communicate thoroughly with said national research and development agency, and, as much as possible, respect the reality of management of daily businesses at said national research and development agency

6 Evaluation methods

Minister of Education, Culture, Sports, Science and Technology shall accurately understand the achievements and the progress of the objectives and plans by comparing objectives and plans with results. At the same, with a view to accurately understand business operational issues and encourage the agency to take actions, we shall take the following evaluation measures to ensure practical evaluation.

(1) The evaluation procedures and methods

As a rule, the following methods are introduced:

- [1] We shall request the agency with medium-term objectives to submit sufficient documents necessary for evaluation.
- [2] We shall hold a hearing from heads of agencies with medium-term objectives with medium-term objectives for evaluation, collect necessary information from officials such as hearing opinions from auditors and conduct accurate evaluations in line with actual conditions of said mid-term objectives

management agencies.

[3] We shall conduct attribution analysis of differences between objectives/plans (budget) and results (settlement of accounts).

[4] We shall clarify relationship among operational results and achievements (outputs) and effects (outcomes) and conduct evaluation.

[5] We shall understand how much resources should be input to create a unit of achievement and result (input per output unit) through comparison between quantitative achievements and results (output indexes) and input resource quantity (input indexes) and evaluate it from the viewpoint of efficiency.

At the time, financial information for each project shall be utilized wherever possible.

[6] We shall utilize results of past related policy evaluation, administrative evaluation, audits and administrative project review.

[7] We shall make financial analysis in the business accounting method and the one in the trend analysis by the age comparison according to the characteristics of the agency's business operations.

[8] We shall make comparison with the past results of the same agency and conduct analysis.

[9] More than one facility/office conducts the same business. If it is difficult to understand business operational issues just in one overall evaluation, we shall learn about the operational results by using the facility/office and comparing and analyzing the plans.

Furthermore, we shall apply the following methods and other means as required to ensure practical evaluation.

i Utilization of the knowledge of experts outside of the organization (However, conflict check shall be performed and so on to make certain that procedures are valid.)

ii Field researches for agencies with medium-term objectives

iii Comparison and analysis with private companies in the same trade

(2) Evaluation viewpoint

We shall establish evaluation viewpoints according to characteristics of each operation and make evaluation to encourage agencies with medium-term objectives to improve business operations with a view to improving the quality of business, the efficiency of the operations, and the improvement of the composition of finances, separately referring to "viewpoints to be considered in developing objectives" shown by the Director - General of the Administrative Management Bureau, the Ministry of Internal Affairs and Communications.

In this case, with regard to the following objectives, evaluations shall be performed by an appropriate and suitable method.

[1] When the specific nature of objectives to be achieved after the mid-term objectives period, their level, and when they should be achieved cannot be disclosed at the time when the objectives are devised or are not always appropriate in view of, for example, the role (mission) of mid-term objectives management

agency and national policy,

i) in the mid-term objectives, when the description on how to engage on matters for said mid-term objectives period and their level, their deadline, and the thinking on their setting are disclosed, evaluations shall be performed as appropriate in accordance to their description;

ii) in the mid-term objectives, when the description in i) above is not performed and when the engagement by management towards the achievement of the ultimate objective and its directionality are set forth, we shall consider the results and their level to be achieved in periods thereafter, shall clarify them, and shall perform an evaluation from the viewpoint of whether the specific nature of engagement towards achievement of the ultimate objective by the management, that is, by the head of said mid-term objectives management agency, is of a kind that help to achieve the ultimate objective.

iii) When i) and ii) above cannot be followed, these can also be set forth in specifics at the time that the viewpoint and methodology for conducting a specific evaluation, such as fiscal evaluation and expected evaluation, become possible (In this case, for the fiscal evaluation up until that point, the state on reaching the objective shall be grasped to an extent it is possible to grasp the results.).

[2] With regard to a mid-term objectives management agency proactively taking on the role to support affiliated organs and organizations by using its strengths and clarifying the distribution of roles with affiliated organs and organizations without limiting to the performance of office work and business by said mid-term objectives management agency alone in regard to objectives on reinforcing and establishing an alliance with them including an exchange program for specialist staff, evaluations shall be made as appropriate from the viewpoint of whether they are in line with the main objectives which seek an establishment and reinforcements to the alliance and support for the specific nature of engagement.

[3] With regard to the objectives on securing staff and educating and training them for the mid-term objectives management agency or in line with the characteristics of its office work or businesses, evaluations shall be performed from the viewpoint of whether there is a policy on securing, educating, and training human resource, and whether the nature of said policy and specific engagements based on it help to maintain and improve the strengths of said mid-term objectives management agency, such as expertise, know-how, technology, and knowledge.

[4] With regard to objectives that require senior management engagement by the head of a mid-term objectives management agency, evaluations shall be made as appropriate in response the specific nature of an engagement.

Furthermore, under “Streamlining procurements and such at incorporated administrative agencies” (May 25, 2015 Decision of the Minister of Internal Affairs and Communication), it states: “All governments shall promote streamlining of procurements and such by having all agencies shall use the PDCA

cycle to secure transparency and externality while working continuously and independently to streamline procurements and such and implement a framework where the competent minister checks them”; evaluations on the state of engagements towards the objective shall also be made correctly from the viewpoint of reasonable procurement in light of this Decision.

7 Methods for Itemized Rating, overall rating, and rating categories

(1) Annual evaluation

[1] Itemized Rating

i Rating categories

- a. As a rule, five-stage comments: S, A, B, C, and D are added.
- b. “B” is a standard. (State when the initial objectives are believed to be met)
- c. The relation between operational results of evaluation items and rating categories is as follows:

S: Through the activities to improve business performance of agencies with medium-term objectives, considerable achievements more than the original medium-term objective from a quantitative and qualitative point of view have been recognized (in terms of quantitative index, and the achievement rate against the medium-term objective is over 120% or in terms of quantitative index, the achievement rate against the medium-term objective (or the fiscal plan figures) is over 100% and the difficulty level is set to “high” in the mid-term objective and significant achievement has been recognized from a qualitative point of view).

A: The achievements more than the original medium-term objectives from a quantitative and qualitative point of view have been recognized through the activities to improve business performance of the agencies with medium-term objectives and (this is when in terms of quantitative index, the achievement rate against the medium-term objective (or against the annual objective) is over 120% or in terms of quantitative index, the achievement rate against the medium-term objective (or the fiscal plan figures) is over 100% and the difficulty level is set to “high” in the mid-term objective).

B: The original medium-term objective has been achieved and (in terms of quantitative index, the achievement rate against the medium-term objective is over 100%).

C: Operating performance has been less than the original medium-term objective. As a result, improvement is needed (in terms of quantitative index, the achievement rate against the medium-term objective is between over 80 % and below 100%).

D: Operating performance has been below the original medium-term objective. As a result, drastic improvement, including abolition of

projects is required and (in terms of quantitative index, the achievement rate against the medium-term plan (or against the annual plan) is below 80%, or the competent minister recognizes that it is necessary to order the agency to take necessary measures to improve the business operation or others).

- d. If matters concerning the internal control in “Matters concerning Improvement in Financial Conditions” and “Other Important Matters concerning Administrative Operations” cannot help to be evaluated based on the qualitative index or it is difficult to conduct quantitative measurement on operational results, such as the case where a goal is set to satisfy certain conditions, and the following criteria can be applied to the evaluations above.

S: -

A: The target standard of an item that is set to "high" level of difficulty is satisfied.

B: Results satisfy the target levels (excluding items falling into category “A.”)

C: Results do not satisfy the target levels (excluding items falling into category “D.”)

D: Results do not satisfy the target levels and drastic operation review is required including the case where the competent minister recognizes it necessary to order the agency to take measures to improve business operations and take other necessary measures.

ii Points to be considered in the Itemized Rating

- a. When an evaluation is made, we should rationally and clearly describe the reason why such an evaluation is made.

In this case, when the self-evaluation is a “B” and the feedback that is based on an evaluation by the competent minister is the same, because it will be fine if an analysis of the basis for using “B” for self-evaluation is valid and if the state is such that the objectives are achieved, a description in the “Reason for this rating” column under the “Evaluation by the Competent Minister” column of the evaluation report shall be sufficient only to say “We were able to confirm that the evaluation result of “B” in the self-evaluation report is valid”.

However, even in this case, we can anticipate situations such as when even one section of the analysis that led to a rating of “B” is different from the self-evaluation (In this case, a description is needed to say that it is different from the self-evaluation.) and when there is a need to indicate what is not stated in a self-evaluation (In this case, there is a need to include said indicated item.). As such, when an analysis that led to the rating and a description of the decision are different between the competent minister and said national research and development agency, there is a need to include necessary information such as “Reason that led

to the rating” in the “Evaluation by the competent minister” column of the evaluation report.

- b. We can raise a level of evaluation by one stage only for items that are set to high level of difficulty in objectives. When the setting is raised, however, we should specifically and clearly describe the reason why we think such a raise is suitable from quantitative and qualitative points of view.

In this case, with regard to what becomes an “A” based on i) above, limited to when we recognize that significant result in terms of quality was obtained, we will consider making this a “S”. Furthermore, with regard to what becomes an “C” based on i) above, limited to when specific work is being done to improve business results, we will consider making this a “B”. In addition, with regard to what becomes an “D” based on i) above, of those cases that would be a “D”, with regard to “When we recognize that the competent minister needs to order improvements in business management or an implementation of other necessary actions”, we shall not approve a rating to be increased by one level; with regard to other cases, limited to when specific work is being done to improve business results, we will consider making this a “C”.

When raising a rating, the basis for why the difficulty level is high and the basis for why it is appropriate to raise a rating shall be described specifically and clearly with regard to both qualitative and quantitative facets.

- c. When we recognize at the time of evaluation that the difficulty level was high after grasping the state of progress and achievement of objectives and plans although no difficulty level was set when the objectives were devised, we will consider raising the rating by one level.

In this case, with regard to what becomes an “A” based on i) above, limited to when we recognize that significant result in terms of quality was obtained, we will consider making this a “S”. Furthermore, with regard to what becomes an “C” based on i) above, limited to when specific work is being done to improve business results, we will consider making this a “B”. In addition, with regard to what becomes an “D” based on i) above, of those cases that would be a “D”, with regard to “When we recognize that the competent minister needs to order improvements in business management or an implementation of other necessary actions”, we shall not approve a rating to be increased by one level; with regard to other cases, limited to when specific work is being done to improve business results, we will consider making this a “C”.

When raising a rating, the basis for why the difficulty level is high and the basis for why it is appropriate to raise a rating shall be described specifically and clearly with regard to both qualitative and quantitative facets.

On the other hand, when we learn at the time of evaluation that the

difficulty level is not what was anticipated at the outset after grasping the state of progress and achievement in objectives and plans, this will not be considered under c) above. Furthermore, when the quantitative index for a mid-term plan value (or planned value for a fiscal year) is 100% or higher but less than 120% (This includes when the achievement level is similar to this.), and when we learn at the time of evaluation that the difficulty level is not what was anticipated at the outset, under a) above, rating will be set to “B” which is when the difficulty level was not set to high.

- d. When the best evaluation “S” is given, we should specifically and clearly describe the reason why we think results of the agency with medium-term objectives are suitable for the best evaluation from quantitative and qualitative points of view.

Specifically, we shall clearly explain the following as qualitative aspects:

- Originality and ingenuity through voluntary efforts of the said mid-term objectives management agency
 - Greater contribution to policy realization than assumption in developing objectives
 - Achievement of important and difficult objectives
- e. If “C” and “D” are given, we shall describe policies to work on for the improvement. At the stage where issues are revealed, we shall specifically and clearly describe improvement measures.
- f. We shall take appropriateness in developing objectives into account, and note this if items which require changes of objective level are detected.
- g. When a specific guideline will be shown to create a rating for each business, the state shall be when “B” has achieved the initial objective.

[2] Overall rating

We shall make an overall rating by conducting an evaluation by a comment based on the Itemized Rating and the whole evaluation by description as well as conducting a whole evaluation by description.

In making an overall rating based on Itemized Rating, we shall add events that influence the whole evaluation, such as political requirements etc., and comprehensively consider Itemized Rating based on its distribution.

i Whole evaluation by description

A whole evaluation by description shows the following matters from the comprehensive viewpoints in light of Itemized Rating.

a. General overview of Itemized Rating

- Results of important items in Itemized Rating and the evaluation outline
- Appreciable external factors that influence evaluations
- Items and methods to be improved concerning the business plan and business operations

In particular, if an order for business improvement is required, we shall specifically and clearly describe it.

- Particular items to be considered for appropriateness in developing

- objectives
- b. Events that influence the whole evaluation
 - Events that influence evaluation of the whole agency, such as events that causing damage to the trust of the whole agency
 - Particular items to be considered for achieving the roles and missions of the agency as set forth in the “Chapter on General Overview of the Whole Agency.” II-1 (2) under “Guidelines on Objectives Formulation of the Incorporated Administrative Agencies”
 - Performance that deserves mention other than those shown in the medium-term plan (including a disaster response)
- c. Other special notes
- ii Evaluation by a comment
 - a. An evaluation by a comment shall be made in taking account of the Itemized Rating and the whole evaluation by description in a comprehensive manner,
 - b. Evaluation shall be made by adding five-stage comments: S, A, B, C, and D.
 - c. The relation between operational results and rating categories is as follows:
 - S: Through the activities to improve business performance of the agency with medium-term objectives, considerable achievements exceeding the original medium-term objectives from a quantitative and qualitative point of view have been recognized for the most part.
 - A: Through the activities to improve business performance of the agency with medium-term objectives, more achievement than the original medium-term objective has been recognized.
 - B: The original medium-term plan has been generally achieved on the whole.
 - C: On the whole, items are below the original purposes in the medium-term plan and the improvement is required.
 - D: On the whole, items are below the original purposes in the medium-term plan and drastic improvement including abolition of projects is required.
- iii Points to be considered for overall rating
 - a. Items that were set to "high" level of importance in advance shall be fully considered in the overall rating.
 - b. In case of an event that causes damage to the trust of the whole agency, the evaluation based on Itemized Rating shall be further lowered depending on the degree. In particular, in requiring the improvement in the management of the whole agency organization, we shall not give a higher evaluation rating than “A” even though corrective measures are implemented regardless of other Itemized Rating.
 - c. If one of the “items concerning the improvement of the service to the nation and the quality of the operations is set to a high level of importance”

and is evaluated at C or below due to the defective management of the whole organization, it cannot be ranked above Grade “A” for evaluation regardless of other Itemized Rating.

- (2) Evaluation of the medium-term objective period (estimated evaluation and evaluation of the operating results during the period)

[1] Itemized Rating

i Rating categories

- a. As a rule, five-stage comments: S, A, B, C, and D, are added.
- b. “B” is the standard. (State when the initial objectives are believed to be met)
- c. The relation between operational results and rating categories is as follows:
 - S: Through the activities to improve business performance of the agency with medium-term objectives, considerable achievements exceeding the original medium-term plan from a quantitative and qualitative point of view have been recognized (in terms of quantitative index, the achievement rate against the medium-term objective is over 120% or in terms of qualitative index, the achievement rate against the medium-term objective is over 100% and the difficulty level is set to “high” in the mid-term objective and a significant achievement has been recognized from a qualitative point of view).
 - A: Through the activities to improve business performance of the agency with medium-term objectives, achievements more than the original medium-term plan have been recognized (this is when in terms of quantitative index, the achievement rate against the medium-term objective is over 120% or in terms of qualitative index, the achievement rate against the medium-term objective is over 100% and the difficulty level is set to “high” in the mid-term objective).
 - B: The original medium-term objective has been achieved (in terms of quantitative index, and the achievement rate against the medium-term objective is over 100%).
 - C: Operating performance has been less than the original medium-term objective. As a result, improvement is needed (in terms of quantitative index, the achievement rate against the medium-term objective is between 80 % or more and below 100%).
 - D: Operating performance has been below the original medium-term objective. As a result, drastic improvement including abolition of projects is required (in terms of quantitative index, the achievement rate against the medium-term objective is below 80%, while the competent minister recognizes that it is necessary to order the agency to take necessary measures to improve the business operation).
- d. If matters concerning the internal control in “Matters concerning Improvement in Financial Conditions” and “Other Important Matters concerning Administrative Operations” cannot be helped being

evaluated based on the qualitative index or if it is difficult to conduct quantitative measurement on operational results, such as when a goal is set to satisfy certain conditions, the following can be applied to the evaluation above.

S: -

A: The target standard of an item that is set to “high” level of difficulty is satisfied.

B: Results satisfy the target levels (excluding items falling into “A.”)

C: Results do not satisfy the target levels (excluding items falling into “D.”)

D: Results do not satisfy the target levels and drastic operation review is required including the case when the competent minister recognizes it necessary to order the agency to take measures to improve business operations and take other necessary measures.

ii Points to be considered in the Itemized Rating

a. When an evaluation is made, we should clearly describe the reason why such an evaluation is made.

b. We can raise the level of evaluation in one stage only for items that are set to high level of difficulty in objectives.

In this case, with regard to what becomes an “A” based on i) above, limited to when we recognize that significant result in terms of quality was obtained, we will consider making this a “S”. Furthermore, with regard to what becomes an “C” based on i) above, limited to when specific work is being done to improve business results, we will consider making this a “B”. In addition, with regard to what becomes an “D” based on i) above, of those cases that would be a “D”, with regard to “When we recognize that the competent minister needs to order improvements in business management or an implementation of other necessary actions”, we shall not approve a rating to be increased by one level; with regard to other cases, limited to when specific work is being done to improve business results, we will consider making this a “C”.

c. When we recognize at the time of evaluation that the difficulty level was high after grasping the state of progress and achievement of objectives and plans although no difficulty level was set when the objectives were devised, we will consider raising the rating by one level.

In this case, with regard to what becomes an “A” based on i) above, limited to when we recognize that significant result in terms of quality was obtained, we will consider making this a “S”. Furthermore, with regard to what becomes an “C” based on i) above, limited to when specific work is being done to improve business results, we will consider making this a “B”. In addition, with regard to what becomes an “D” based on i) above, of those cases that would be a “D”, with regard to “When we recognize that the competent minister needs to order improvements in business

management or an implementation of other necessary actions”, we shall not approve a rating to be increased by one level; with regard to other cases, limited to when specific work is being done to improve business results, we will consider making this a “C”.

When raising a rating, the basis for why the difficulty level is high and the basis for why it is appropriate to raise a rating shall be described specifically and clearly with regard to both qualitative and quantitative facets.

On the other hand, when we learn at the time of evaluation that the difficulty level is not what was anticipated at the outset after grasping the state of progress and achievement in objectives and plans, this will not be considered under c) above. Furthermore, when the quantitative index for a mid-term plan value (or planned value for a fiscal year) is 100% or higher but less than 120% (This includes when the achievement level is similar to this.), and when we learn at the time of evaluation that the difficulty level is not what was anticipated at the outset, under a) above, rating will be set to “B” which is when the difficulty level was not set to high.

d. When the best evaluation “S” is given, we should specifically and clearly describe a reason why we think results of the agency with medium-term objectives are suitable for the best evaluation from quantitative and qualitative points of view.

Specifically, we shall clearly explain the following aspects as qualitative:

- Originality and ingenuity through voluntary efforts of the agency with medium-term objectives
- Greater contribution to policy realization than assumption in developing objectives
- Achievement of important and difficult objectives

e. If “C” and “D” are given, we shall describe policies to work on for the improvement. At the stage where issues are revealed, we shall specifically and clearly describe improvement measures.

f. When a specific guideline will be shown to create a rating for each evaluation item, “B” shall have fully achieved the expected objective, and the role of a national research and development agency shall have been achieved.

g. If there is a big difference between the estimated operational results at the end of the period of the medium-term objectives, which are estimated at the time of estimated evaluation, and actual operational results at the time of evaluation of the operating results during the period, the reason shall be clearly and specifically described.

However, when there is no large gap, at the end of the mid to long-term objectives period, between the projected results, which were used for make the evaluation projection, and the actual results and when there is no change in a situation that requires consideration, we can use the evaluation we

projected but after making necessary corrections such as updating the numbers

- h. We shall describe opinions on points to consider in implementing operations during the next period of the medium-term objectives in accordance with the evaluation.

[2] Overall rating

We shall make an overall rating by conducting an evaluation by a comment on operational results of the whole agency based on the Itemized Rating and the whole evaluation by description as well as conducting a whole evaluation by description.

In making an overall rating based on Itemized Rating, we shall add events that influence the whole evaluation, such as political requirements etc., and comprehensively consider Itemized Rating based on its distribution.

i Whole evaluation by description

A whole evaluation by description shows the following matters from the comprehensive viewpoints as well as the general overview of Itemized Rating.

a. General overview of Itemized Rating

- Results of important items in Itemized Rating and the evaluation outline
- Appreciable external factors that influence evaluations
- Items and methods to be improved in relation to business plans and operations. In particular, if an order for business improvement is required, we shall clearly describe it.
- Particular items to be considered for appropriateness in developing objectives

b. Events that influence the whole evaluation

- Events that influence the evaluation of the whole agency such as the events that cause damages to trust of the whole agency
- The achievement status of missions and roles of the agency as shown in the “Chapter on General Overview of the Whole Agency,” II-1 (2) of the “Guidelines on Objectives Formulation of the Incorporated Administrative Agencies.”
- Performance that deserves mention other than those shown in the medium-term plan (including a disaster response)

c. Other special notes

ii Evaluation by a comment

- a. An evaluation by a comment shall be made in taking account of the Itemized Rating and the whole evaluation by description in a comprehensive manner.
- b. Evaluation shall be made by adding five-stage comments: S, A, B, C, and D.
- c. We shall consider the importance of items in conducting an evaluation by a comment.

d. The relation between operational results of evaluation items and rating categories is as follows:

S: Through the activities to improve business performance of the agency with medium-term objectives, considerable achievements more than the original medium-term objective from a quantitative and qualitative point of view have been recognized on the whole.

A: Through the activities to improve business performance of the agency with medium-term objectives, more achievement than the original medium-term plan has been recognized.

B: The original medium-term objective has been generally achieved on the whole.

C: On the whole, items are below the original purposes in the medium-term objectives and the improvement is required.

D: On the whole, items are below the original purposes in the medium-term objectives and drastic improvement including abolition of projects is required.

iii Points to be considered for overall rating

a. The following items are shown as well as the evaluation in an estimated evaluation.

- Examination of operational and organizational matters as a whole and measures to be taken to develop during the next medium-term objectives
- Items to be considered to review a budgetary request for the next period of the medium-term objectives

b. The following items are shown as well as the evaluation in an evaluation of the operating results during the period.

- Items that need to be dealt with such as changes of medium-term objectives, which are not anticipated at the time of estimated evaluation

c. Items that were set to “high” level of importance in advance shall be fully considered in the overall rating.

d. In case of an event that causes damages to trust of the whole agency, the evaluation based on Itemized Rating shall be further lowered depending on the degree. In particular, in requiring the improvement in the management of the whole agency organization, we shall not give a higher evaluation than “A” if the corrective measures are implemented regardless of other Itemized Rating.

e. If one of “items concerning the improvement of the service to the nation and the quality of the operations to that is set to high level of importance” in medium-term objectives is evaluated at C or below due to the defective management of the whole organization, it cannot be ranked above Grade “A” for evaluation regardless of other Itemized Rating.

f. We shall examine in an estimated evaluation whether the setting of evaluation units, evaluation indicators, and overall rating methods should

be improved.

8 Creation of Evaluation Report

(1) Format of Evaluation Report

Evaluation Reports are created based on the format separately specified by the Director - General of the Administrative Management Bureau, the Ministry of Internal Affairs and Communications, which is modified by the Office for Evaluation, Policy Planning Division, Minister's Secretariat as required.

(2) Matters to be entered

The Evaluation Report shows the following items.

[1] Evaluation outline

i Matters concerning the subject of evaluation

- a. Name of agency
- b. Evaluated year (annual evaluation)
- c. Evaluated period (evaluation of the medium-term objectives)

ii Items related to the assessor

- a. Summary of evaluation sharing in case of agency under co-jurisdiction
- b. Department and preparer in charge of evaluation (name of section head)
- c. Department and preparer that inspect evaluation (name of section head)

iii Matters concerning the evaluation

- a. Procedure implemented for evaluation such as hearing of the president
- b. Summary of advices from external experts (members, and activity results such as opinion hearing)

iv Other important matters concerning the evaluation

[2] Overall rating

i Evaluation by a comment

ii Whole evaluation by description

iii Items implemented by the agency with medium-term objectives, not described in medium-term objectives, medium-term plans, and annual plans, which should be considered in whole evaluation

iv Measures to be taken for the overall review of operational and organizational matters and development of the next medium-term objectives in an estimated evaluation

v Items to be considered to review a budgetary request for the next period of the medium-term objectives

vi If the medium-term plan must be changed, such matter

vii If the medium-term objectives must be changed in an evaluation of the medium-term objective period, such matter

viii Advices from external experts

[3] Ratings Summary Table by Each Item

i A list display of aged comments added in evaluations by item

ii Items are shown so that readers can understand levels of importance and difficulty added to each item

iii If no event is applicable in the evaluated year, “-” is shown and nothing shall be reflected in the overall rating.

[4] Itemized Rating

- i Basic information concerning the administrative works and the projects
 - a. Reasons for implementing the administrative works and projects (related policies and measures, and Act No. of the individual Acts etc.)
 - b. Relation with the prior analysis table in the policy evaluation (A prior analysis table number and a review sheet number of an administrative project review are shown to reveal corresponding achievement measures.)
 - c. The levels of importance and difficulty of the item (Those specified in developing objectives are shown.)
- ii Main aged data
 - a. Output and (/or) outcome information
 - b. Input information (budgets, closing account, ordinary expenses, costs for implementing administrative, and personnel number)
- iii Matters concerning objectives, plans, and evaluations
 - a. Corresponding medium-term objectives/medium-term plan/annual plan
 - b. Operational results and Self-Evaluation
 - c. Used evaluation indicators and evaluation viewpoint
 - d. Evaluation and its reasons
 - e. Business operational issues and improvement measures
 - f. If any objective level must be changed, its summary
 - g. Advices from external experts
- iv Other reference information (differential budget analysis and financial analysis implemented as required)

(3) Points to remember in statement

- [1] Considering Evaluation Reports are important documents to explain to the public operational results and evaluations of the agency with medium-term objectives, we shall pay attention to eliminate ambiguous or redundant expressions and use simple, clear, easy-to-understand ones.
- [2] We shall pay attention to view ability and understandability such as showing data comparisons/analysis information including the age comparison in a table format.
- [3] We shall keep in mind that Itemized Rating in estimated evaluation and the evaluation of the operating results during the period of the medium-term objectives should be respectively indicated in parallel to display differences between estimation and results in an easy-to-understood manner.
- [4] If too much information is entered and the uniformity and viewing ability is impaired, take appropriate measures, such as entering the necessary information in a separate sheet of paper.

III Items related to the evaluation of the National Research and Development Agency

1 General statement

(1) Top priority objective of evaluation of the National Research and Development Agency

On the principle of the agency' business operations, namely, "effective and efficient," it is important to make evaluation to realize both "maximization of R&D achievements" and "appropriate, effective, and efficient operations" in light of "maximization of R&D achievements," * which is the first purpose of the National Research and Development Agency.

* The "maximization of R&D achievements" is the one in III 1 (2) of the "Guidelines on Objectives Formulation of the Incorporated Administrative Agencies."

(2) Priority evaluation by the National Research and Development Agency

The R&D of each "subject of research and development (project)" is evaluated in light of R&D evaluation based on highly expert knowledge and experiences at the National Research and Development Agency and under Japan's involvement according to the level of importance (evaluations based on the "National Guideline on the Method of Evaluation for Governmental R&D" (decided by the Prime Minister on December 6, 2012 and hereinafter called the "National Guideline"))).

With this in mind, in evaluation we shall properly utilize these evaluation results of specific projects and efforts and focus on the evaluation of the "maximization of R&D achievements as an agency" and "appropriate, effective, and efficient operations as an agency."

Even in such a case, individual specific projects and efforts shall be adequately checked and evaluated.

2 Evaluation system

(1) Division that make evaluation

In evaluating operating results of the National Research and Development Agency, offices/divisions with jurisdiction over said national research and development agency shall play a central role to ensure consistency of responsibility over the maximization of R&D achievements and appropriateness of evaluation.

In addition, Planning and Evaluation Division, Science and Technology Policy Bureau shall inspect evaluation results to secure objectivity of evaluation.

(2) National Research and Development Agency Council (NRDA Council)

Considering R&D expertise, the NRDA Council was established in the Ministry of Education, Culture, Sports, Science and Technology as a council systematically and clearly classified only into the National Research and Development Agency among three types of agencies, and is expected to play an important role in

developing mid to long-term objectives for national research and development agencies and making evaluations.

Therefore, the national research and development agency council consists of members with advanced knowledge and experiences. Much importance is placed on both expertise and variety.

The national research and development agency council shall give adequate advices on administrative works and projects related to research and development from a standpoint of a third party in light of social insights, scientific knowledge and international standards based on Self-Evaluation submitted from agencies to the competent minister in examinations at the end of the period of annual evaluation, estimated evaluation, evaluation of the operating results during the period of the mid to long-term objectives, intermediate evaluation during the period of mid to long-term objectives, and the mid to long-term objectives.

At the time, while utilizing the evaluation axis (*) confirmed with the competent minister and the agency head in developing mid to long-term objectives/plans, we shall confirm the legitimacy and appropriateness, and management system of the national research and development Agency Head and make proposals to improve the operations for the maximization of R&D achievements of the national research and development agency and to secure appropriate, effective, and efficient operations.

In addition, the council shall contribute proactively to strengthen said national research and development agencies' functions by developing their objectives and examining inseparable matters concerning evaluations (those concerning the operation of systems).

Furthermore, we shall perform reasonable operations of the national research and development agency co-managed by more than one office/ministry so that burdens on evaluation of said national research and development agency cannot be too heavy: the council on respective R&D shall be responsible for items related to operations whose jurisdictions belong to the competent minister; competent ministers consult items concerning the whole and commonly governed items each other to hold a council.

* The evaluation axis is the evaluation criteria in III 5 (1) of the “Guidelines on Objectives Formulation of the Incorporated Administrative Agencies.”

3 Purposes, purports, basic policies of evaluations

All evaluations shall be conducted by the Minister of Education, Culture, Sports, Science and Technology in light of the following purposes, purports, basic policies:

(1) Annual evaluation

[1] The first aim of the annual evaluation is to contribute to “maximization of R&D achievements” of the National Research and Development Agency. The evaluation also contributes to the improvement of business operations in and after the evaluated year for the “maximization of R&D achievements” and

“securing appropriate, effective, and efficient operations.” In addition, the utilization of evaluation results for the treatment of staffs holding titles shall be considered.

[2] Because the purpose of a mid-term objectives period evaluation (expected evaluation, period business results evaluation, mid-term objectives period mid-term evaluation) is to utilize the results of an evaluation in, for example, devising new mid-term objectives, and reviewing the need to sustain the organization and maintain the businesses of a national research and development agency when, for example, the mid-term objectives period ends, there is a need to make a final decision on the business performance results for the mid-term objectives period, and determine the validity of said research and development agency as a body that performs the function of implementing policy strategies. For this purpose, it is important to grasp correctly by objective item the state of achievement of objectives that are to be achieved during said mid-term objectives period.

On the other hand, with regard to fiscal year evaluation, in view of the characteristics of a mid-term objectives management agency, which is “Business management will be left to the agency’s autonomy and initiative, unlike mid-term objectives period evaluation, in each fiscal year of said mid-term objectives period, it is important that issues in business management are extracted correctly, including what are believed to become obstacles when securing the achievement of mid-term objectives on a schedule (In particular, when the achievement of objectives by the end of said objectives period becomes risky, the reason for it shall be analyzed and there is a need to correct the situation by guidance or business improvement order; depending on the results of an analysis, there also is a need to as for changes to the mid-term plan, and it is important to grasp such issues.).

For this reason, with regard to fiscal year evaluation, by implementing a specialized order that would extract issues in business management, we believe that its effect will be produced more efficiently. Thus, for example, in response to elements such as state of achievement of objectives and plans, such as importance of objective, description of objective, and characteristics of business and office work, we can focus on the following when we perform evaluations:

i) Finding cases that will help to consider improvements to issues in business management at said mid-term objectives management agency and in business management at other groups, which are believed to become obstacles in securing the attainment of objectives on a schedule when the mid-term objectives period ends, and cases that will help to consider the need and possibility of the redistribution of resources to other groups.

ii) When devising mid-term objectives, grasping the results and the state of progress when objectives are set in a way to draw a conclusion during the mid-term objectives period because the results to be achieved and their level

are not clear at the end of a mid-term objectives period.

On the other hand, with regard to objectives that were set with a high difficulty level or importance level when the mid-term objectives were devised, because we believe that, in comparison to other objectives, we need to pay more attention to the state of achievements in objectives and to the state of business management in working towards achievements, we need to make these a part of our improved focus.

“Our improved focus” above is an activity to give perform evaluations with precision, using our conventional units, for only what are important to the achievement of our objectives when the mid-term objectives period ends; whereas, with regard to the other items, we are trying to add more clarity to our evaluations by being more creative such that our evaluations become simplified and efficient. For this purpose, with regard to items that are not a part of our improved focus, in the evaluation report, on the assumption that a rating by objective item unit and its basis will be provided for all objective items, and with regard to the drafting unit for evaluation reports on ratings by each items and analysis of business performance, creativity is needed so that all evaluations become simplified and efficient. (Eg: An evaluation report shall be organized in a manner that helps the management of a national research and development agency and the minister of education, culture, sports, science and technology; evaluation reports shall describe only information that is necessary for an evaluation report.)

By the actions above, if we can bring closer together the unit for business management and self-evaluation for said national research and development agency, then we can expect that self-evaluations will become easier to utilize by improving the business of said national research and development agency itself. In light of this, when setting up a unit for, for instance, analysis of business results for an item that is not a part of our focal points, we shall communicate thoroughly with said national research and development agency, and, as much as possible, respect the reality of management of daily businesses at said national research and development agency.

[3] In light of Self-Evaluation results by the National Research and Development Agency on operating results in fiscal years, implementation status of the national research and development agency's operations shall be investigated and analyzed while keeping the implementation status of mid to long-term plan in mind and comprehensive evaluation shall be made for the whole achievements of operations in fiscal years in light of results of external evaluations individually implemented by the national research and development agency.

[4] We shall take into account the evaluation axis set in developing objectives while confirming the implementation status of mid to long-term objectives/plans. Unlike stationary and routine tasks, which are expected to be steadily implemented, administrative works and projects related to research

and development are creative works with “R&D characteristics” such as long-term performance, uncertainty, unpredictability, and expertise. In light of this, we shall pay sufficient attention to make evaluation with due consideration for a fact that in many cases, we cannot always expect literal progress of administrative works and projects and creation of results according to the time.

- [5] Regardless of the achievement status of objectives and plans, if a scandal arises and causes damages to trusts in the entire agency, the management status of the agency in the fiscal year shall be considered such as reflection not only in the evaluation item but also the overall rating on said agency.
 - [6] If unpredictable external factors prevent operational implementation or if the national research and development agency makes independent efforts towards external factors, they should be considered in a rating.
- (2) Evaluation of the mid to long-term objective period (estimated evaluation, evaluation of the operating results during the period, and intermediate evaluation during the period of mid to long-term objectives)

[1] Estimated evaluation

- i The first aim of the estimated evaluation is to contribute to “maximization of R&D achievements” of the National Research and Development Agency. For the “maximization of R&D achievements” and “securing appropriate, effective, and efficient operations,” results of evaluation also contribute to the necessity of the operational continuity of the national research and development agency or the organization's ability to continue at the end of the period of the mid to long-term objectives, examination of other operations and the entire organization, and development of a new mid to long-term objectives.
- ii The business performance during the period of mid to long-term objectives expected at the end of the period of the mid to long-term objectives of the National Research and Development Agency shall be investigated and analyzed in light of results of Self-Evaluation related to business performance expected at the end of the period of the mid to long-term objectives and results of external evaluations individually implemented by each national research and development agency, and comprehensive evaluation shall be conducted on the achievement status of the mid to long-term objectives in general.
- iii In light of evaluation results, operational and organizational matters as a whole shall be considered. Based on the result, the abolition or transfer of projects, abolishment of organization, or other required measures shall be taken and considerations shall be given to adequately develop a new mid to long-term objectives.
- iv [4] to [6] of “3 (1) Annual evaluation” shall be applied to estimated evaluations. At the time, the “fiscal year” shall be replaced with the “period of mid to long-term objectives.”

[2] Evaluation of the operating results during the period

- i The first aim of the evaluation of the operating results during the period is to contribute to “maximization of R&D achievements” of the National Research

and Development Agency. The evaluation also contributes to the improvement of business operations in and after the evaluated year for the “maximization of R&D achievements” and “securing appropriate, effective, and efficient operations.” In addition, the utilization of evaluation results for the treatment of staffs holding titles shall be fully considered.

ii At the end of the period of the mid to long-term objectives, business performance related the period of the mid to long-term objectives of said national research and development agency shall be investigated and analyzed in light of Self-Evaluation related to business performance over the whole period of mid to long-term objectives and results of external evaluation individually conducted by the National Research and Development Agency, and comprehensive evaluation shall be conducted on the achievement status of the mid to long-term objectives in general during the period of the mid to long-term objectives.

iii If there is any deviation between the estimated performance, which was used at the time of estimated evaluation, and the operating results at the end of the period of mid to long-term objectives, causes shall be analyzed at the time of evaluation of the operating results during the period, and the necessity of changing the mid to long-term objectives shall be considered.

iv [4] to [6] of “3 (1) Annual evaluation” shall be applied to evaluation of the operating results during the period. At the time, the “fiscal year” shall be replaced with the “period of the period of mid to long-term objectives.”

However, when there is no large gap, at the end of the mid to long-term objectives period, between the projected results, which were used for make the evaluation projection, and the actual results and when there is no change in a situation that requires consideration, we can use the evaluation we projected but after making necessary corrections such as updating the numbers.

[3] Intermediate evaluation during the period of mid to long-term objectives

i The first aim of the intermediate evaluation during the period of mid to long-term objectives is to contribute to “maximization of R&D achievements” of the National Research and Development Agency. The evaluation also contributes to the improvement of business operations in and after the evaluated year for the “maximization of R&D achievements” and “securing appropriate, effective, and efficient operations.” In addition, the utilization of evaluation results for the treatment of staffs holding titles shall be fully considered.

ii As for the period until the end of the fiscal year (intermediate term) including the end of the term of the office if the term of the office of national research and development agency head expires as stipulated in Article 21-2, paragraph 1, proviso of the Act on General Rules for Incorporated Administrative Agencies, business performance related the intermediate term of said National Research and Development Agency shall be investigated and analyzed in light of results of Self-Evaluation related to business performance from the

beginning of the period of mid to long-term objectives to the business year and results of external evaluation individually conducted by each national research and development agency, and comprehensive evaluation shall be conducted on the achievement status of the mid to long-term objectives in general until the end of the intermediate term.

iii [4] to [6] of “3 (1) Annual evaluation” shall be applied to the intermediate evaluation during the period of mid to long-term objectives. At the time, the “fiscal year” shall be replaced with the “intermediate term.”

4 Utilization of Self-Evaluation results

(1) The first aim of the Self-Evaluation created according to Article 35-6, paragraphs 3 and 4 of the Act on General Rules for Incorporated Administrative Agencies shall be a contribution to the maximization of research and development achievements. And it aims at the implementation of the accountability to the public and securing appropriate, effective, and efficient operations, and use for said national research and development agency’ voluntary improvement of business management. Besides, it shall contribute to the information provision for the evaluation conducted by the competent minister.

(2) The National Research and Development Agency shall create objective Self-Evaluations, which clarify data and the analysis results necessary for evaluations by the competent minister.

However, with regard to business performance evaluation, detailed information are provided in the self-evaluation report, and its information overview is provided in the business report, according to “Guideline concerning business reports of incorporated administrative agencies”.

(3) In the annual evaluation and the evaluation of the mid to long-term objective period, Minister of Education, Culture, Sports, Science and Technology shall fully utilize Self-Evaluations and conduct effective and efficient evaluation. When the National Research and Development Agency submits high-quality Self-Evaluations and sufficiently fulfill the accountability, evaluations shall be appropriately and reasonably conducted through the maximum utilization of the Self-Evaluations, checks from the viewpoint of their legitimacy, and hearing opinions and advice on the Self-Evaluation from the NRDA Council.

In particular, with regard to fiscal evaluation, in view of the objective of improvement focus as put under 3(1)[2], when self-evaluation is “B” and the feedback based on a mark from the competent minister is also the same, with regard to the mark from the competent minister, because a confirmation of the facts that the objective was achieved and that the analysis of a self-evaluation of “B” is clearly valid are sufficient, a description of “We were able to confirmed that the evaluation result of “B” in the self-evaluation report is valid” as the description for “Reason for this rating” in the “Evaluation by the competent minister” column in the evaluation report prepared by the competent minister is adequate.

However, even in this case, there can be, for example, when an analysis that led to a

rating of “B” is in any parts different from the self-evaluation (In this case, a description of the area that is different from the self-evaluation will be needed.), and when there is a need to indicate something that is not included in the self-evaluation (In this case, a description of said indication is needed.). As such, when an analysis that led to a rating or the nature of a decision is different between the competent minister and said research and development agency, necessary information such as “Reason that led to rating” needs to be entered under the “Evaluation by competent minister” column in the evaluation report.

- (4) The Minister of Education, Culture, Sports, Science and Technology shall assess and analyze operating results of the National Research and Development Agency and their achievement status of objectives and plans from Self-Evaluations, evaluate them from viewpoints as policy leaders such as the conformity of the agency’ operations with policies and efforts and the management validity of agency heads.
- (5) In the evaluation of the National Research and Development Agency, it is desirable that the Minister of Education, Culture, Sports, Science and Technology makes evaluation based on high-quality Self-Evaluation by properly utilizing it. In creating Self-Evaluations, said national research and development agency shall make the following efforts so that the evaluation by the competent minister as shown above.

[1] We shall make evaluation in consideration of missions of the National Research and Development Agency and evaluation axes established according to individual objectives in light of “Purposes, purports, basic policies of evaluations” in this standard (III-3), “Setting the evaluation units” (III-5), and “Evaluation methods” (III-6) (limited to those practicable as the national research and development agency).

[2] We shall objectively and specifically describe the status of business operations based on sufficient information/data to contribute to the effective management of the National Research and Development Agency.

[3] While utilizing evaluation results of R&D issues (projects), which have been implemented, to fully explain the evaluation results, achievement status of objectives and plans, and the management status in the national research and development agency, we shall take care to ensure that we make evaluation of effective units related to the management according to objectives, such as program units and maintain consistency between the evaluation units unified to make proper Self-Evaluation and those of the competent minister’s.

At the time, we shall consider the creation of Self-Evaluation should not overburden the agency.

However, with an improved focus on fiscal year evaluation, the minister of education, culture, sports, science and technology shall respect the reality of daily business management at said mid-term objectives management agency as much as possible when setting a unit of drafting evaluation report by item and analyzing the business performance by an item that is not a part of improved focus, and shall make considerations such that the preparation of a self-evaluation report will not unfairly burden said mid-term objectives management

agency. By doing this, with regard to the rating for each objective unit and its basis, consideration shall be made to seek only improved relationships such as the one between each objective item and the rating in a self-evaluation report.

[4] The agency shall pay full attention to the objectivity and the creditability of entries, properly utilize external evaluation results, and reflect them in Self-Evaluation.

[5] When business operational issues are detected in a Self-Evaluation, the agency shall enter specific improvement measures, too.

[6] If improvement measures for business operation issues, which were detected in a Self-Evaluation or an evaluation conducted by the competent minister, are shown, the agency shall enter the implementation status in Self-Evaluations in the next and following years.

5 Setting the evaluation units

The Itemized Rating shall be made based on the “Guidelines on Objectives Formulation of the Incorporated Administrative Agencies,” using items with mid to long-term objectives established as evaluation units in principle.

Moreover, if the evaluation of operating results (estimated evaluation) during the period of mid to long-term objectives require the improvement of objective items set in the period, it shall be adequately reflected in the setting of objective items for the next period of mid to long-term objectives.

To make accurate evaluation on administrative works and projects concerning R&D, the Itemized Rating may be conducted in more segmentalized units than the evaluation units set on the basis of the ideas above.

Furthermore, with regard to fiscal evaluation, in creating our focal points, for items that will not be a part of our focal points, in our evaluation report we will assume that for all objectives item there will be a rating for each objective item and its basis; and with regard to performance analysis and the creation unit for evaluation of the rating for each item, be creative so as to get simplified and efficient evaluation unit that matches the description of the objective and so on. (Eg: An evaluation report shall be organized in a manner that helps the management of a national research and development agency and the minister of education, culture, sports, science and technology; evaluation report shall describe only information that is necessary for an evaluation report.)

By the actions above, if we can bring closer together the unit for business management and self-evaluation for said national research and development agency, then we can expect that self-evaluations will become easier to utilize by improving the business of said national research and development agency itself. In light of this, when setting up a unit for, for instance, analysis of business results for an item that is not a part of our focal points, we shall communicate thoroughly with said national research and development agency, and, as much as possible, respect the reality of management of daily businesses at said national research and development agency.

6 Evaluation methods

In light of purposes, such as “maximization of R&D achievements” and “securing appropriate, effective, and efficient operations” evaluation shall be conducted by the Minister of Education, Culture, Sports, Science and Technology in the following methods to ensure practical evaluations.

(1) The evaluation procedures and methods

As a rule, the following methods are introduced:

- [1] We shall request the National Research and Development Agency to necessary and sufficient documents at the time of evaluation.
- [2] The national research and development agency shall hold a hearing from agency heads for evaluation, and collect necessary information from officials, such as hearing opinions from auditors and conduct accurate evaluations in line with actual conditions of said national research and development agency.
- [3] We shall hold a National Research and Development Agency Council/ NRDA Council and hear opinions.
- [4] We shall conduct attribution analysis of differences between objectives/plans (budget) and results (settlement of accounts).
- [5] We shall clarify relationship among operational results and achievements (outputs) and effects (outcomes) and conduct evaluation.
- [6] We shall utilize financial information and compare results concerning R&D activities with input.

Furthermore, the evaluation cannot promote the “maximization of R&D achievements” if it mechanically tries to achieve efficiency by using only quantitative output indicators related to administrative works and projects related to research and development. By using proper evaluation axes established in response to the missions and individual objectives of the National Research and Development Agency, we shall contrast results concerning R&D as results of comprehensive consideration from qualitative/quantitative, economic/social/scientific technical, international/domestic, short/mid to long-term viewpoints with input.

- [7] We shall utilize results of past related policy evaluation, administrative evaluation, audits and administrative project review.
- [8] We shall make financial analysis in the business accounting method and the one in the trend analysis by the age comparison according to the characteristics of the agency's business operations.
- [9] We shall make comparison with the past results of the same agency and conduct analysis.
- [10] More than one facility/ office conducts the same business. If it is difficult to understand business operational issues just by an overall evaluation, we shall understand operational results by facility/office and make comparison and analysis of plans.

Furthermore, we shall apply methods of the following items and others as required to ensure practical evaluation.

- i Field researches for the National Research and Development Agency
- ii Comparison and analysis with private companies in the same trade and overseas

(2) Evaluation viewpoint

[1] Evaluation of administrative works and projects related to research and development

We shall make evaluation in developing mid to long-term objectives in response to the missions and individual objectives of the National Research and Development Agency in light of opinions of the national research and development agency and of the NRDA Council.

Administrative works and projects related to research and development in the agency, however, must be a part of the dynamic system that promptly and flexibly deals with changes in various circumstances. When circumstances regarding the rapid progress in science and technology and drastic changes in the social and economic situation make it necessary to set a more appropriate valuation axis than the conventional one, we shall properly and flexibly review the axis to ensure the evaluation effectiveness.

Consistency between the evaluation axis and the promotion of national policies is required, including scientific and technological innovations.

In the evaluation on the basis of evaluation axis, we shall make evaluations by properly taking both qualitative and quantitative views into consideration.

We should also fully take into consideration possible influences of the setting of objective and quantitative evaluation indicators on R&D site, appropriately divide indices indicators (evaluation indicators), which will be the basis for evaluation and rating, and monitoring indicators, which will be needed to grasp accurate facts.

Besides, national research and development agency shall make evaluations, focusing on the following points:

i Evaluation for the “maximization of R&D achievements”

The “maximization of R&D achievements,” which is the first purpose of the National Research and Development Agency, means the creation of R&D outcomes, which contribute to the healthy development of the lives of the Japanese people, and economy, and culture, and other public interests, which should be “maximized” by the whole country. This is not ensured by individual “optimization” of each research assignment (project) and its accumulation. Rather, the agency ensures it by the maximization of the management skill of the agency and creating the maximum results as the whole agency through:

- a. Securing and developing excellent human resources responsible for R&D;
- b. Proper resource allocation;
- c. Promotion of collaborations and assimilation of projects;
- d. Improvement of R&D environment that draw out the maximum abilities of researchers; and

e. Promotion of cooperation and collaboration with other organizations. Such as universities and private companies.

Therefore, to achieve the “maximization of R&D achievements,” which is the first purpose of the national research and development agency, the targeted items shall be evaluation units as a rule, and by using proper evaluation axes established according to the missions and individual objectives of the agency, said national research and development agency shall make comprehensive evaluation from qualitative/quantitative, economic/social/ scientific and technological, international/domestic, short/mid to long-term viewpoints.

In addition, national research and development agency shall keep in mind that the “maximization of R&D achievements” is not only a direct result created by R&D implemented by the agency itself but also the maximization of R&D achievements all over Japan including R&D achievements of other organizations such as universities and private companies according to missions and operations of the agency through bridging between innovative technology seeds and practical application of applied research and achievements leading to the commercialization, development and promotion of utilization in ventures, small and medium sized companies, development of human resources related to R&D, promotion of the utilization of diverse human resources, enhancement of understanding on science and technology, collection, provision, analysis and strategy development of scientific and technical information, improvement and sharing of facilities and equipment, technical support for administrative organizations, and cooperation and collaboration with other institutes and make evaluation.

In addition, national research and development agency shall not only give appropriate indications and advice and but also weave active appreciation towards excellent efforts and achievements and proactive assessment of the future to promote the active appreciation towards excellent efforts and achievements and proactive assessment of the future to promote the creation of a virtuous cycle for “maximization of R&D achievements” of said national research and development agency as an interested party that is responsible for the “maximization of R&D achievements” of the agency in light of the evaluation on the operation results.

ii Evaluation to “secure appropriate, effective, and efficient operations”

As agencies are entities that carry out activities on the basis of public funds, Evaluation shall be made appropriately from the viewpoint of securing appropriate, effective, and efficient operations.

iii Evaluation according to R&D characteristics

The most appropriate evaluation method such as the method to evaluate the degree of achievement, the professional evaluation method based on the international standards, the proactive assessment method of the future, the method to evaluate the contribution status to outcome, the method to evaluate

the bridging research including accepting funds from companies such as contracted research, and the method to evaluate the development and utilization of ventures, small and medium sized companies shall be adequately selected by the Minister of Education, Culture, Sports, Science and Technology per National Research and Development Agency or considering different characters of each R&D among agencies, R&D's long-term, uncertainty, unpredictable and disciplinary aspects in evaluating the agency.

In addition, unlike stationary and routine tasks, which are expected to be steadily implemented, administrative works and projects related to research and development are creative works with "R&D characteristics" such as long-term performance, uncertainty, unpredictability, and expertise. In light of this, we shall pay sufficient attention to make evaluation with due consideration for a fact that in some cases, we cannot always expect literal progress of administrative works and projects and creation of results according to the time.

- iv Points to remember concerning the evaluation of projects with external funds such as competitive research funds

Projects utilizing external funds other than operating expenses grants such as competitive research fund system and contract researches from private companies and others shall be properly handled differently from the evaluation on a project related to operating expense subsidy such as properly adding efforts and achievements related to projects through external efforts to evaluation while avoiding unreasonable evaluation repetitions, considering facts that the acquisition is not always predictable in advance and that another evaluation is made other than agency evaluations under normal conditions.

- v Evaluation concerning the prevention of research misconducts

National research and development agency shall make evaluation as an agency (research and development agency) to contribute to strengthening of agencies' approaches such as strengthening approaches for preventing research fraud in advance as well as establishing the system of responsibility as an organization, clarifying the responsibility for administration, and strict actions if any research fraud should occur through checking the improvement of rules to handle research fraud, improve the organizational system of responsibility, and operational status.

- vi Evaluation viewpoint concerning common management among agencies

Basically, Minister of Education, Culture, Sports, Science and Technology shall evaluate the management (such as government's policy, financial status, retained asset management/maintenance, personnel expense management, contracts, associated agencies) common to National Research and Development Agencies, which carry out activities on the basis of public funds, in light of the same evaluation viewpoints as those for agencies with

medium-term objectives.

However, we shall make evaluations on items related to the “maximization of R&D achievements” for example, items related to the management of intellectual property, pay standard, personnel expenses, contracts, operating expenses grant liability based on the first purpose of the “maximization of R&D achievements” such as separately setting evaluation viewpoints in light of R&D characteristics, missions of the national research and development agency, characteristics of operations, and international trend, fully considering viewpoints to contribute to the realization of both “appropriate, effective, and efficient operations” and “maximization of R&D achievements.”

vii Evaluation of management of agency head

The management of agency head should be properly checked and evaluated by the Minister of Education, Culture, Sports, Science and Technology. At the time, we shall check the support system of agency head's management for R&D and management. In particular, if it is determined that sufficient successful results cannot be expected and one of the causes is the management of agency head, we shall require the agency to submit its head's management improvement plan and specifically point out issues and give advice in case where it is difficult to expect any improvement.

viii Utilization of Self-Evaluation results

The National Research and Development Agency shall utilize evaluation results to improve business operations, aiming at the “maximization of R&D achievements” and “securing appropriate, effective, and efficient operations.”

Said national research and development agencies shall utilize evaluation results from the Minister of Education, Culture, Sports, Science and Technology to develop the next mid to long-term objectives and appointment of heads aiming at the “maximization of R&D achievements” and “securing appropriate, effective, and efficient operations.”

In addition, Minister of Education, Culture, Sports, Science and Technology shall keep in mind that Evaluation Reports shall be properly created and proactively publicized to fulfill accountability to the public in an easily understandable manner

[2] Evaluation concerning administrative works other than R&D

We shall establish evaluation viewpoints according to characteristics of each operation and make evaluation to encourage National Research and Development Agency to improve business operations with a view to the improvement of the quality of business, the efficiency of the operations, and the improvement of the composition of finances, separately referring to “viewpoints to be considered in developing objectives” shown by the Director - General of the Administrative Management Bureau, the Ministry of Internal Affairs and Communications.

In this case, with regard to the following objectives, evaluations shall be

performed by an appropriate and suitable method.

[1] When the specific nature of objectives to be achieved after the mid-term objectives period, their level, and when they should be achieved cannot be disclosed at the time when the objectives are devised or are not always appropriate in view of, for example, the role (mission) of mid-term objectives management agency and national policy,

i) in the mid-term objectives, when the description on how to engage on matters for said mid-term objectives period and their level, their deadline, and the thinking on their setting are disclosed, evaluations shall be performed as appropriate in accordance to their description;

ii) in the mid-term objectives, when the description in i) above is not performed and when the engagement by management towards the achievement of the ultimate objective and its directionality are set forth, we shall consider the results and their level to be achieved in periods thereafter, shall clarify them, and shall perform an evaluation from the viewpoint of whether the specific nature of engagement towards achievement of the ultimate objective by the management, that is, by the head of said mid-term objectives management agency, is of a kind that help to achieve the ultimate objective.

iii) When i) and ii) above cannot be followed, these can also be set forth in specifics at the time that the viewpoint and methodology for conducting a specific evaluation, such as fiscal evaluation and expected evaluation, become possible (In this case, for the fiscal evaluation up until that point, the state on reaching the objective shall be grasped to an extent it is possible to grasp the results.).

[2] With regard to a mid-term objectives management agency proactively taking on the role to support affiliated organs and organizations by using its strengths and clarifying the distribution of roles with affiliated organs and organizations without limiting to the performance of office work and business by said mid-term objectives management agency alone in regard to objectives on reinforcing and establishing an alliance with them including an exchange program for specialist staff, evaluations shall be made as appropriate from the viewpoint of whether they are in line with the main objectives which seek an establishment and reinforcements to the alliance and support for the specific nature of engagement.

[3] With regard to the objectives on securing staff and educating and training them for the mid-term objectives management agency or in line with the characteristics of its office work or businesses, evaluations shall be performed from the viewpoint of whether there is a policy on securing, educating, and training human resource, and whether the nature of said policy and specific engagements based on it help to maintain and improve the strengths of said mid-term objectives management agency, such as expertise, know-how, technology, and knowledge.

[4] With regard to objectives that require senior management engagement by

the head of a mid-term objectives management agency, evaluations shall be made as appropriate in response to the specific nature of an engagement.

Furthermore, under “Streamlining procurements and such at incorporated administrative agencies” (May 25, 2015 Decision of the Minister of Internal Affairs and Communication), it states: “All governments shall promote streamlining of procurements and such by having all agencies shall use the PDCA cycle to secure transparency and externality while working continuously and independently to streamline procurements and such and implement a framework where the competent minister checks them”; evaluations on the state of engagements towards the objective shall also be made correctly from the viewpoint of reasonable procurement in light of this Decision.

7 Methods for Itemized Rating and overall rating, and rating categories

(1) Annual evaluation

[1] Itemized Rating

i Rating categories

- a. As a rule, five-stage comments: S, A, B, C, and D are added.
- b. “B” is a standard. (State when the initial objectives are believed to be met)
 - Administrative works and projects related to research and development

The relation between evaluation items and rating categories is as follows:

S: Based on the National Research and Development Agency’s aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency’s business achievements, efforts and so on through its activities, especially the creation of considerable achievements, anticipated creation of special achievements in the future and so on toward “maximization of R&D achievements” under the conditions of appropriate, effective, and efficient operations are recognized.

A: Based on the National Research and Development Agency’s aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency’s business achievements, efforts and so on through its activities, the creation of considerable achievements, anticipated creation of achievements in the future and so on toward “maximization of R&D achievements” under the conditions of appropriate, effective, and efficient operations are recognized.

B: Based on the National Research and Development Agency’s aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency’s business

achievement, efforts and so on through its activities, a certain degree of expectation for the creation of achievement and creation of achievement in the future toward “maximization of R&D achievements” were recognized, and steady business operations have been also recognized.

C: Based on the National Research and Development Agency’s aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency’s business achievements, efforts and so on through its activities, the creation of achievements, further drastic efforts and improvements toward “maximization of R&D achievements” or the “appropriate, effective, and efficient operations” are anticipated.

D: Based on the National Research and Development Agency's aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency's business achievements, efforts through its activities, special efforts and improvements including a fundamental drastic review, toward “maximization of R&D achievements” or the “appropriate, effective, and efficient operations” are required.

- Other than administrative works and projects related to research and development

Provisions for agencies with medium-term objectives shall be applied. In this case, “medium-term objectives” can be replaced with “mid to long-term objectives” and “medium-term plan” with “mid to long-term plan.”

ii Points to be considered in the Itemized Rating

- a. We shall add advices to contribute to the improvement of business operations of the National Research and Development Agency as required as well as state reasons that lead to the evaluation in an easily understandable manner.

In this case, when the self-evaluation is a “B” and the feedback that is based on an evaluation by the competent minister is the same, because it will be fine if an analysis of the basis for using “B” for self-evaluation is valid and if the state is such that the objectives are achieved, a description in the “Reason for this rating” column under the “Evaluation by the Competent Minister” column of the evaluation report shall be sufficient only to say “We were able to confirm that the evaluation result of “B” in the self-evaluation report is valid”.

However, even in this case, we can anticipate situations such as when even one section of the analysis that led to a rating of “B” is different from the self-evaluation (In this case, a description is needed to say that

it is different from the self-evaluation.) and when there is a need to indicate what is not stated in a self-evaluation (In this case, there is a need to include said indicated item.). As such, when an analysis that led to the rating and a description of the decision are different between the competent minister and said national research and development agency, there is a need to include necessary information such as “Reason that led to the rating” in the “Evaluation by the competent minister” column of the evaluation report

- b. We can raise a level of evaluation in one stage only for items that are set to high level of difficulty in objectives. When the setting is raised, however, we should specifically and clearly describe a reason why we think such raise is suitable.
- c. Notwithstanding no difficulty level was set at the time that objectives were devised, when the difficulty level is deemed high at the time of evaluation after grasping the status on progress of and attaining objectives/plan and progress, a consideration shall be made to raise the rating by one level. When the rating will be raised, a specific and clear description of the basis shall be provided on the basis of why a raising of the rating is appropriate and the basis for why the difficulty level described as high. On the other hand, when it is learned at the time of evaluation that the difficulty level will not be met after grasping the state of progress of and attaining objectives/plan, paragraph b above shall not be applicable.
- d. By using proper evaluation axes established according to the missions and individual objectives of the National Research and Development Agency, we shall reflect in evaluation results comprehensively evaluated from qualitative/quantitative, economic/social/technological/social/scientific and technological/ international/domestic, short/mid to long-term/and political viewpoints.
- e. Rating is weighted as required according to respective stage of research, features of research and methods of research by using evaluation axes set from many directions in developing objectives in light of external expert knowledge and insights through comprehensive consideration. At that time, we should clearly state why and what is weighted, and based on them, what judgment leads to evaluation in an easily understandable manner according to objective contents from the qualitative/quantitative viewpoint.
- f. Rating categories are as shown in [1] i above. Specifically, the following examples are assumed.
 - If evaluation axes are related to “scientific significance of achievements and approaches (originality, innovativeness, leading-edge property, expansibility, etc.),” they are particularly conspicuous in the top level of S evaluations. For example, “the world’s first achievements or achievements that demolish conventional concepts and brought a breakthrough or groundbreaking result” and “the world’s highest level

of achievements.”

- If evaluation axes are related to “contribution to the vitalization and upgrading of industrial and economic activities,” they are particularly conspicuous in the top level of S evaluations. For example, “substantial advance in commercialization are possible through a suggested way for commercialization of the world’s first achievements in this field.”
- If evaluation axes are related to “contribution to the creation of social value (safe and secure society, etc.),” they are particularly conspicuous in the top level of S evaluations. For example, “noteworthy contribution of new insights obtained from research outcomes and reflected in regulations and policies of national and public agencies to enhancing social life.”
- If evaluation axes are related to “management” and “human resources development,” they are particularly conspicuous in the top level of S evaluations. For example, “efforts to promote the development and recruitment of a large number of researchers and engineers in the areas which are politically important for Japan but have a shortage of qualified personnel.”

In addition, the following cases are assumed:

- A rating is determined if the discovery of achievement brings about reasonable significance, achievement, or contribution though S rating is not achieved
 - B rating is determined for the steady progress toward the creation of achievements
 - C rating is determined for the necessity of further innovation / improvement
 - D rating is determined for the necessity of particular innovation / improvement
- g. If in the annual evaluation, for example, the earlier progress toward the creation of further achievements and the improvement of the accuracy of realizing achievements are made clear, these should be considered for rating.
- h. We shall not only give appropriate indications and advice and but also weave active appreciation towards excellent efforts and achievements and proactive assessment of the future to promote the active appreciation towards excellent efforts and achievements and proactive assessment of the future to promote the creation of virtuous cycle for the “maximization of R&D achievements” of said national research and development agencies as an interested party that is responsible for the “maximization of R&D achievements” of the National Research and Development Agency in light of the evaluation on the operation results.
- i. In particular, when the best evaluation “S” is given, we shall specifically and clearly state a reason why we think results of the National Research

and Development Agency are worthy of the top rating in light of evaluation results based on the set evaluation axes.

j. If “C” and “D” are given, we shall describe policies to work on for the improvement.

If any specific and clear issue is revealed, we shall specifically point it out and give advice, warning, and so on to the National Research and Development Agency.

k. We shall take appropriateness in developing objectives into account, and note this if items which require changes of objective.

l. If it is determined that sufficient successful results cannot be expected and one of the causes is the management of agency head, we shall require the agency to submit its head's management improvement plan, and specifically point out issues and give advice, warning, and so on in case where it is difficult to expect any improvement.

m. When a specific guideline will be shown to create a rating for each evaluation item, “B” shall have fully achieved the expected objective.

[2] Overall rating

We shall make an overall rating by conducting an evaluation by a comment in light of the Itemized Rating and the whole evaluation by description as well as conducting the whole evaluation by description.

To conduct an overall rating, we shall make an overall rating concerning the whole operations of said national research and development agencies, focus on the “maximization of R&D achievements as a whole Agency” and the “appropriate, effective, and efficient operations as a whole Agency,” and adequately take into account of relations among objectives and the level of importance in light of the missions of the National Research and Development Agency and political requests.

i Whole evaluation by description

a. We shall add advices to contribute to the improvement of business operations of the National Research and Development Agency as required as well as state reasons that lead to the evaluation in an easily understandable manner.

b. In addition, a whole evaluation by description shows the following matters and other items necessary for evaluation from the comprehensive viewpoints in light of Itemized Rating.

- General overview of Itemized Rating

- a. Results of important items in Itemized Rating and the evaluation outline

- b. Appreciable external factors that influence evaluations

- c. Items and methods to be improved concerning the business plan and business operations. In particular, if an order for improvement is required, we shall specifically and clearly describe it

- d. Particular items to be considered for appropriateness in developing objectives
 - Events that influence the whole evaluation
 - a. Events that influence the evaluation of the whole agency, such as the events that damages the trust of the whole agency
 - b. Particular items to be considered for the achievement of missions and role of the National Research and Development Agency shown in the “Chapter on General Overview of the Whole Agency” representing III-2 (2) of “Guidelines on Objectives Formulation of the Incorporated Administrative Agencies”
 - c. Performance that deserves mention other than those shown in the mid to long-term plan (including a disaster response)
 - Other special notes
- ii Evaluation by a comment
- a. An evaluation by a comment shall be made in taking account of the Itemized Rating and the whole evaluation by description in a comprehensive manner.
 - b. Evaluation shall be made by adding five-stage comments: S, A, B, C, and D.
 - c. The relation between evaluation items and rating categories is as follows:
 - S: Based on the National Research and Development Agency’s aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency’s business achievements, efforts and so on through its activities, especially the creation of considerable achievements, anticipated creation of special achievements in the future and so on toward “maximization of R&D achievements” under the conditions of appropriate, effective, and efficient operations are recognized.
 - A: Based on the National Research and Development Agency’s aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency’s business achievements, efforts and so on through its activities, the creation of considerable achievements, anticipated creation of achievements in the future and so on toward “maximization of R&D achievements” under the conditions of appropriate, effective, and efficient operations are recognized.
 - B: Based on the National Research and Development Agency’s aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency’s business achievement, efforts and so on through its activities, a certain degree of expectation

for the creation of achievement and creation of achievement in the future toward “maximization of R&D achievements” were recognized, and steady business operations have been also recognized.

C: Based on the National Research and Development Agency’s aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency’s business achievements, efforts and so on through its activities, the creation of achievements, further drastic efforts and improvements toward “maximization of R&D achievements” or the “appropriate, effective, and efficient operations” are anticipated.

D: Based on the National Research and Development Agency's aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency's business achievements, efforts through its activities, special efforts and improvements including a fundamental drastic review, toward “maximization of R&D achievements” or the “appropriate, effective, and efficient operations” are required.

iii Points to be considered for overall rating

- a. We shall make an overall rating concerning the whole operations of the National Research and Development Agency, focusing on the “maximization of R&D achievements as a whole Agency” and the “appropriate, effective, and efficient operations,” and adequately taking into account of relations among objectives and the level of importance.
- b. While focusing on the “maximization of R&D achievements as a whole Agency” and the “appropriate, effective, and efficient operations,” and adequately taking into account of relations among objectives and the level of importance in light of the missions of the National Research and Development Agency, we shall make comprehensive evaluation on the overall operations of said national research and development agency from qualitative/quantitative, economic/social/ scientific technical, international/domestic, short/mid to long-term viewpoints.
- c. Minister of Education, Culture, Sports, Science and Technology shall not only give appropriate indications and advice and but also weave active appreciation towards excellent efforts and achievements and proactive assessment of the future to promote the active appreciation towards excellent efforts and achievements and proactive assessment of the future to promote the creation of virtuous cycle for the “maximization of R&D achievements” of said national research and development agencies as an interested party that is responsible for the “maximization of R&D achievements” of the National Research and Development Agency in light of the evaluation on the operation results.

- d. If it is determined that sufficient successful results cannot be expected on the whole agency and one of the causes is the management of agency head, we shall require the agency to submit its head's management improvement plan, and specifically point out issues and give advice in case where it is difficult to expect any improvement.
 - e. Items that were set to "high" level of importance in advance shall be fully considered in the overall rating.
 - f. If the management improvement for the whole agency organization is required in events that influence the evaluation of the whole agency, notwithstanding what the rating is for the other items, no rating of A or above shall be possible until corrective actions are implemented.
 - g. If one of "items concerning the maximization of R&D achievements and the improvement of the quality of any other operations" that is set to high level of importance is evaluated at "C" or below due to the defective management of the whole organization, notwithstanding the rating for the other items a rating of "A" or above shall be given.
- (2) Evaluation of the mid to long-term objective period (estimated evaluation, evaluation of the operating results during the period, and intermediate evaluation during the period of mid to long-term objectives)

[1] Itemized Rating

i Rating categories

- a. As a rule, five-stage comments: S, A, B, C, and D are added.
- b. "B" is a standard. (State when the initial objectives are believed to be met)

- Administrative works and projects related to research and development

The relation between evaluation items and rating categories is as follows:

S: Based on the National Research and Development Agency's aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency's business achievements, efforts and so on through its activities, especially the creation of considerable achievements, anticipated creation of special achievements in the future and so on toward "maximization of R&D achievements" under the conditions of appropriate, effective, and efficient operations are recognized.

A: Based on the National Research and Development Agency's aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency's business achievements, efforts and so on through its activities, the creation of considerable achievements, anticipated creation of achievements in the future and so on toward "maximization of R&D achievements" under the conditions of appropriate, effective, and efficient

operations are recognized.

B: Based on the National Research and Development Agency's aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency's business achievement, efforts and so on through its activities, a certain degree of expectation for the creation of achievement and creation of achievement in the future toward "maximization of R&D achievements" were recognized, and steady business operations have been also recognized.

C: Based on the National Research and Development Agency's aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency's business achievements, efforts and so on through its activities, the creation of achievements, further drastic efforts and improvements toward "maximization of R&D achievements" or the "appropriate, effective, and efficient operations" are anticipated.

D: Based on the National Research and Development Agency's aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency's business achievements, efforts through its activities, special efforts and improvements including a fundamental drastic review, toward "maximization of R&D achievements" or the "appropriate, effective, and efficient operations" are required.

- Other than administrative works and projects related to research and development Provisions for agencies with medium-term objectives shall be applied. In this case, "medium-term objectives" can be replaced with "mid to long-term objectives" and "medium-term plan" with "mid to long-term plan."

ii Points to be considered in the Itemized Rating

- a. We shall add advices to contribute to the improvement of business operations of the National Research and Development Agency as required as well as state reasons that lead to the evaluation in an easily understandable manner.
- b. We can raise a level of evaluation in one stage only for items that are set to high level of difficulty in objectives. When the setting is raised, however, we should specifically and clearly describe a reason why we think such raise is suitable.
- c. Notwithstanding no difficulty level was set at the time that objectives were devised, when the difficulty level is deemed high at the time of evaluation after grasping the status on progress of and attaining objectives/plan and

progress, a consideration shall be made to raise the rating by one level.

When the rating will be raised, a specific and clear description of the basis shall be provided on the basis of why a raising of the rating is appropriate and the basis for why the difficulty level described as high.

On the other hand, when it is learned at the time of evaluation that the difficulty level will not be met after grasping the state of progress of and attaining objectives/plan, paragraph b above shall not be applicable.

- d. By using proper evaluation axes established according to the missions and individual objectives of the National Research and Development Agency, we shall reflect in evaluation results comprehensively evaluated from qualitative/quantitative, economic/social/technological/social/scientific and technological/ international/domestic, short/mid to long-term/and political viewpoints.
- e. Rating is weighted as required according to respective stage of research, features of research and methods of research by using evaluation axes set from many directions in developing objectives in light of external expert knowledge and insights through comprehensive consideration. At that time, we should clearly state why and what is weighted, and based on them, what judgment leads to evaluation in an easily understandable manner according to objective contents from the qualitative/quantitative viewpoint.
- f. Rating categories are as shown in [1] i above. Specifically,
 - If evaluation axes are related to “scientific significance of achievements and approaches (originality, innovativeness, leading-edge property, expansibility, etc.),” they are particularly conspicuous in the top level of S evaluations. For example, “the world’s first achievements or achievements that demolish conventional concepts and brought a breakthrough or groundbreaking result” and “the world’s highest level of achievements.”
 - If evaluation axes are related to “contribution to the vitalization and upgrading of industrial and economic activities,” they are particularly conspicuous in the top level of S evaluations. For example, “substantial advance in commercialization might be possible by suggesting a definitive way for the commercialization of the world’s first achievements in this field.”
 - If evaluation axes are related to “contribution to the creation of social value (safe and secure society, etc.),” they are particularly conspicuous in the top level of S evaluations. For example, “noteworthy contribution of new insights obtained from research outcomes and reflected in regulations and policies of national and public agencies to enhancing social life.”
 - If evaluation axes are related to “management” and “human resources development,” they are particularly conspicuous in the top level of S evaluations. For example, “efforts to promote the development and

recruitment of a large number of researchers and engineers in these areas are required, which are politically important for Japan. But Japan has a shortage of qualified personnel, which adds to the problem the country faces.”

In addition,

- A rating is determined if the discovery of achievement brings about reasonable significance, achievement, or contribution though S rating is not achieved
 - B rating is determined for the steady progress toward the creation of achievements
 - C rating is determined for the necessity of further innovation / improvement
 - D rating is determined for the necessity of particular innovation / improvement
- g. Minister of Education, Culture, Sports, Science and Technology shall not only give appropriate indications and advice and but also weave active appreciation towards excellent efforts and achievements and proactive assessment of the future to promote the active appreciation towards excellent efforts and achievements and proactive assessment of the future to promote the creation of virtuous cycle for the “maximization of R&D achievements” of agencies as an interested party that is responsible for the “maximization of R&D achievements” of the National Research and Development Agency in light of the evaluation on the operation results.
- h. In particular, when the best evaluation “S” is given, we shall specifically and clearly state a reason why we think results of the National Research and Development Agency are worthy of the top rating in light of evaluation results based on the set evaluation axes.
- i. If “C” and “D” are given, we shall describe policies to work on for improvement.
- At the stage where any issue is revealed, we shall specifically and clearly point them out and give advice.
- j. We shall take appropriateness in developing objectives into account, and note this if items which require changes of objective.
- k. If it is determined that sufficient successful results cannot be expected and one of the causes is the management of agency head, we shall require the agency to submit its head's management improvement plan, and specifically point out issues and give advice, warning, and so on in case where it is difficult to expect any improvement.
- l. When a specific guideline will be shown to create a rating for each evaluation item, “B” shall have fully achieved the expected objective, and the role of a national research and development agency shall have been achieved.
- m. If there is a big difference between the estimated operational results at the

end of the period of the mid to long-term objectives, which are estimated at the time of estimated evaluation, and actual operational results at the time of evaluation of the operating results during the period, the reason shall be clearly and specifically described.

However, when there is no large gap, at the end of the mid to long-term objectives period, between the projected results, which were used for make the evaluation projection, and the actual results and when there is no change in a situation that requires consideration, we can use the evaluation we projected but after making necessary corrections such as updating the numbers.

- n. We shall describe opinions on points to consider in implementing operations during the next period of the mid to long-term objectives in accordance with the rating.
- o. In the intermediate evaluation during the period of mid to long-term objectives, we shall describe opinions on points to consider in implementing operations by the end of the period of the mid to long-term objectives in accordance with the rating.

[2] Overall rating

While making a whole evaluation by description, we shall give a comment on operational results of the whole agency based on the Itemized Rating and the whole evaluation by description.

To conduct an overall rating, we shall make an overall rating concerning the whole operations of said national research and development agencies, focus on the “maximization of R&D achievements as a whole Agency” and the “appropriate, effective, and efficient operations as a whole Agency,” and adequately take into account the relations among objectives and the level of importance in light of the missions of said National Research and Development Agency and political requests.

i Whole evaluation by description

- a. We shall add advices to contribute to the improvement of business operations of the whole national research and development agency as required as well as state reasons that lead to the evaluation in an easily understandable manner.
- b. In addition, whole evaluation by description shall state the following items and those that are necessary for evaluation.
 - General overview of Itemized Rating
 - a. Results of important items in Itemized Rating and the evaluation outline
 - b. Appreciable external factors that influence evaluations
 - c. Items and methods to be improved concerning the business plan and business operations. In particular, if an order for business improvement is required, we shall clearly describe it
 - d. Particular items to be considered for appropriateness in developing

objectives

- Events that influence the whole evaluation
 - a. Events that influence the evaluation of the whole agency such as the events that cause damages to trust of the whole agency
 - b. The achievement status of missions and roles of the national research and development agencies shown in the “Chapter on General Overview of the Whole Agency” representing III-2 (2) of the “Guidelines on Objectives Formulation of the Incorporated Administrative Agencies”
 - c. Performance that deserves mention other than those shown in the mid to long-term plan (including a disaster response)
- Other special notes

ii Evaluation by a comment

- a. An evaluation by a comment shall be made in taking account of the Itemized Rating and the whole evaluation by description in a comprehensive manner,
- b. Evaluation shall be made by adding five-stage comments: S, A, B, C, and D.
- c. The relation between evaluation items and rating categories is as follows:
 - S: Based on the National Research and Development Agency’s aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency’s business achievements, efforts and so on through its activities, especially the creation of considerable achievements, anticipated creation of special achievements in the future and so on toward “maximization of R&D achievements” under the conditions of appropriate, effective, and efficient operations are recognized.
 - A: Based on the National Research and Development Agency’s aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency’s business achievements, efforts and so on through its activities, the creation of considerable achievements, anticipated creation of achievements in the future and so on toward “maximization of R&D achievements” under the conditions of appropriate, effective, and efficient operations are recognized.
 - B: Based on the National Research and Development Agency’s aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency’s business achievement, efforts and so on through its activities, a certain degree of expectation for the creation of achievement and creation of

achievement in the future toward “maximization of R&D achievements” were recognized, and steady business operations have been also recognized.

C: Based on the National Research and Development Agency’s aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency’s business achievements, efforts and so on through its activities, the creation of achievements, further drastic efforts and improvements toward “maximization of R&D achievements” or the “appropriate, effective, and efficient operations” are anticipated.

D: Based on the National Research and Development Agency's aims, businesses, mid to long-term objectives and so on, and as a result of comprehensive consideration based on some circumstances regarding said national research and development agency's business achievements, efforts through its activities, special efforts and improvements including a fundamental drastic review, toward “maximization of R&D achievements” or the “appropriate, effective, and efficient operations” are required.

iii Points to be considered for overall rating

- a. We shall make an overall rating concerning the whole operations of the National Research and Development Agency, focusing on “maximization of R&D achievements as a whole Agency” and the “appropriate, effective, and efficient operations as a whole Agency,” and adequately taking into account relations among objectives and the level of importance.
- b. While focusing on the “maximization of R&D achievements as a whole Agency” and the “appropriate, effective, and efficient operations as a whole Agency,” and adequately taking into account of relations among objectives and the level of importance in light of the missions of the National Research and Development Agency, we shall make comprehensive evaluation on the overall operations of said national research and development agency from qualitative/quantitative, economic/social/ scientific technical, international/domestic, short/mid to long-term viewpoints.
- c. Minister of Education, Culture, Sports, Science and Technology shall not only give appropriate indications and advice and but also weave active appreciation towards excellent efforts and achievements and proactive assessment of the future to promote the active appreciation towards excellent efforts and achievements and proactive assessment of the future to promote the creation of virtuous cycle for the “maximization of R&D achievements” of agencies as an interested party that is responsible for the “maximization of R&D achievements” of said national research and development Agency in light of the evaluation on the operation results.

- d. If it is determined that sufficient successful results cannot be expected on the whole agency and one of the causes is the management of agency head, we shall require the agency to submit its head's management improvement plan, and specifically point out issues and give advice in case where it is difficult to expect any improvement.
- e. The following items are shown as well as the rating in an estimated evaluation.
 - Examination on operational and organizational matters as a whole is required and this represents points to be considered regarding the development of the next medium-term objectives
 - Points to be considered regarding a budgetary request for the next period of the mid to long-term objectives
- f. The following items are shown as well as the evaluation in an evaluation of the operating results during the period.
 - Items that need to be dealt with such as changes of the next medium-term objectives, which are not anticipated at the time of estimated evaluation
- g. Items that were set to "high" level of importance in advance shall be fully considered in the overall rating.
- h. If the management improvement for the whole agency organization is required in events that influence the evaluation of the whole agency, notwithstanding what the rating is for the other items, no rating of A or above shall be possible until corrective actions are implemented.
- i. If one of "items concerning the maximization of R&D achievements and the improvement of the quality of any other operations" that is set to high level of importance is evaluated at "C" or below due to the defective management of the whole organization, notwithstanding what the rating is for the other items, no rating of A or above shall be possible.
- j. We shall examine in an estimated evaluation whether the setting of evaluation units, evaluation axis, evaluation indicators, and overall rating methods should be improved.

8 Creation of Evaluation Report

(1) Format of Evaluation Report

Evaluation Reports are created based on the format separately specified by the Director - General of the Administrative Management Bureau, the Ministry of Internal Affairs and Communications, which is modified by the Science and Technology Policy Bureau as required.

(2) Matters to be entered

The Evaluation Report shows the following items.

[1] Evaluation outline

i Matters concerning the subject of evaluation

a. Name of agency

- b. Evaluated year (annual evaluation)
- c. Evaluated period (evaluation of the medium-term objective period)
- ii Items related to the assessor
 - a. Summary of evaluation sharing in case of agency under co-jurisdiction
 - b. Department and preparer in charge of evaluation (name of section head)
 - c. Department and preparer that inspects the evaluation papers (name of section head)
- iii Matters concerning the evaluation
 - a. Procedure implemented for evaluation, such as hearing of the president
 - b. Summary of National Research and Development Agency Council and actual discussion (members, activity results, main discussion contents)
- iv Other important matters concerning the evaluation

[2] Overall rating

- i Evaluation by a comment
- ii Whole evaluation by description
- iii Items implemented by national research and development agencies, not described in mid to long-term objectives, mid to long-term plans, and annual plans, which should be considered in whole evaluation.
- iv Measures to be taken for the overall examination of operational and organizational matters and development of the next mid to long-term objectives in an estimated evaluation
- v Items to be considered to review a budgetary request for the next period of the mid to long-term objectives
- vi If the mid to long-term plan must be changed, such matter
- vii If the mid to long-term objectives must be changed in an evaluation of the mid to long-term objective period, such matter
- viii Opinions of National Research and Development Agency Council

[3] Ratings Summary Table by Each Item

- A list display of aged comments added in evaluations by item
- As required, items are shown so that readers can understand levels of importance and difficulty added to each item
- If no event is applicable in the evaluated year, “-” is shown and nothing shall be reflected in the overall rating.

[4] Itemized Rating

- i Basic information concerning the administrative works and the projects
 - a. Reasons for implementing the administrative works and projects (related policies and measures, and Act No. of the individual Acts etc.)
 - b. Relation with the prior analysis table in the policy evaluation (A prior analysis table number and a review sheet number of an administrative project review are shown to reveal corresponding achievement measures.)
 - c. As required, the levels of importance and difficulty of the item (Those specified in developing objectives are shown.)
- ii Main aged data

- a. Outcome and (/or) output information
 - b. Input information (budgets, closing account, ordinary expenses, costs for implementing administrative services, and personnel)
 - iii Matters concerning objectives, plans, and evaluations
 - a. Corresponding mid to long-term objectives/mid to long-term plan/annual plan
 - b. Operational results, expectation of creation of prospective achievements, and Self-Evaluation
 - c. Evaluation axis, used evaluation indicators, monitoring indicators, and evaluation viewpoint
 - d. Evaluation and its reasons
 - e. Business operational issues and improvement measures
 - f. If any objective level must be changed, its summary
 - g. Opinions of National Research and Development Agency Council
 - iv Other reference information (differential budget analysis and financial analysis implemented as required)
- (3) Points to remember in statement
- [1] Considering Evaluation Reports are important documents to explain to the public operational results and evaluations of the National Research and Development Agency, we shall pay attention to eliminate ambiguous ore redundant expressions and use simple, clear, easy-to-understand ones.
 - [2] We shall pay attention to the viewing ability and understandability, such as showing data comparisons/analysis results, including the age comparison in a table format.
 - [3] We shall keep in mind that Itemized Rating in estimated evaluation and the evaluation of the operating results during the period of the mid to long-term objectives should be respectively indicated in parallel to display differences between estimation and results in an easy-to-understood manner.
 - [4] If too much information is entered and the uniformity and viewing ability is impaired, take appropriate measures, such as entering the necessary information in a separate sheet of paper.

IV Other points to consider

1 Items related to the use of evaluation results

(1) The incorporated administrative agency shall utilize evaluation results for reviewing the current mid (to long) -term plan or annual plan, developing next and future mid (to long) -term plan or annual plan, reviewing the organizational structure in the inside of said incorporated administrative agency, personnel plan, budget allocation in the inside of agency, reviewing operational methods, and the treatment of staffs holding titles in light of comments and rating by description.

(2) Evaluation results shall be adequately reflected by the Minister of Education, Culture, Sports, Science and Technology in the current mid (to long) -term plan, review of mid (to long) -term plan, review of administrative works and projects including revision or abolition of projects, development of new mid (to long) -term objectives, national policy evaluation, and policies as well as properly reflected in budgetary requests including calculation of operating expenses grants in light of rating by comment and description. In particular, when the mark given is a “S”, efforts shall be made to raise the incentive of the agency by, eg, a focused distribution of the budget to the business expenses of said incorporated administrative agency, in the budget request.

(3) If “D” evaluation is given in the Itemized Rating, the incorporated administrative agency shall make drastic project review, including the abolition of projects.

In addition, if “D” evaluation is given in overall rating, the incorporated administrative agency shall make drastic improvement including the abolition of organization or project and take other necessary measures.

(4) When the minister of education, culture, sports, science and technology examines the necessity of the continuity of incorporated administrative agency's operations or the organization, other operations and the overall organization at the end of mid (to long) -term objective period, which are stipulated in Article 35, paragraph 1 and Article 35-7, paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies, the agency shall make full use of results of estimated evaluation to abolish or transfer operations or abolish organization, and take other required measures properly.

For example, if deficiencies in the internal control and lack of governance are revealed in the “Guidelines for Incorporated Administrative Agency Evaluation” and it is not likely that the continuity of administrative works and projects produce effective business operations and achieve mid (to long) -term objectives, nor the necessity of the survival of the agency cannot be verified, the drastic organizational revision/abolition of the agency is required.

The guideline may also stipulate the operation must be abolished if the objectives in “improvement of the service to the nation and the quality of the operations” stipulated in medium-term or annual objectives or the “maximization of R&D achievements and the improvement of the quality of any other operations” cannot be achieved and if the cause analysis reveals the demand is less than the original

prediction or another agency can do the operation better.

- (5) If any business operational issue, which particularly requires the handling during the evaluation process, is detected, the handling status of the incorporated administrative agency for the issue in and after the next fiscal year shall be properly evaluated.

2 Items related to the publication of evaluation results

- (1) Evaluation results shall be publicized without delay according to the schedule in the third item below.
- (2) In addition to evaluation results, we shall keep in mind that we should proactively publicize data used for evaluation after ensuring the easy utilization for outsiders such as ascending order by time and verifiability.
- (3) Article 28-4 in the Act on General Rules for Incorporated Administrative Agencies stipulates the national research and development agency must improve business operations according to evaluation results and make public how the evaluation results are reflected. We shall pay attention to and check the following points:
 - [1] In light of evaluation results concerning the past fiscal year and mid (to long) -term objective period, the status of measures implemented in the fiscal year shall be specifically stated including the reflection in the mid (to long) -term and annual plans, revision/abolishment of administrative works and projects, reflection in the budgetary request, and reflection in organizational, personnel, and other business improvement.
 - [2] The relationship between evaluation results and responses shall be revealed including the fiscal year information of business performance evaluations.
 - [3] Items to be handled in the future shall be stated.
- (4) Evaluation Reports and others shall be publicized so that they can be widely provided to the nation.
- (5) To ensure practical evaluation by the Committee on the System of Evaluating Incorporated Administrative Agencies, Evaluating Reports of annual evaluation and evaluation of the operating results during the period as well as Evaluating Reports related to estimated evaluation and efficiency evaluation, which are required by laws to submit to the incorporated administrative agency evaluation regulations committee, and the Committee shall be notified on the System of Evaluating Incorporated Administrative Agencies for reference.
- (6) The incorporated administrative agency shall not only summarize and publicize the efforts to reflect the improvement of business operations pointed out in evaluation results but also submit them to the competent minister of education, culture, sports, science and technology so that the entries can be checked in the evaluation process of the competent minister in the next fiscal year.

3 Items related to the evaluation schedule

We shall keep in mind that evaluations should be completed by a roughly estimated time so that evaluation results can be properly reflected in the improved

budget and business operations.

Specifically, the following schedules are assumed.

(1) Self-Evaluation

Agencies shall submit the Self-Evaluation to the competent minister of education, culture, sports, science and technology by the end of June and publicize it without delay.

(2) Evaluation conducted by the competent minister of education, culture, sports, science and technology

[1] Annual evaluation

The evaluation shall be completed around the beginning of August and notified to incorporated administrative agencies, and publicized. In addition, the evaluation shall be notified to the Committee on the System of Evaluating Incorporated Administrative Agencies for reference.

The evaluation shall be completed around the end of July when conducting the estimated evaluation and notified to incorporated administrative agencies, and publicized.

[2] Review of estimated evaluation and whole operations

The estimated evaluation shall be completed around the beginning of August, the creation of review results on the overall operations shall be completed in the middle of August, and they shall be notified to incorporated administrative agencies and the Committee on the System of Evaluating Incorporated Administrative Agencies, and publicized.

[3] Evaluation of the operating results during the period

The evaluation shall be completed around the middle of August and notified to incorporated administrative agencies, and publicized. In addition, the evaluation shall be notified to the Committee on the System of Evaluating Incorporated Administrative Agencies for reference.

(3) Reflection of mid (to long) -term objectives of evaluation results

[1] Development of new mid (to long) -term objective proposal

Around the beginning of January, the proposals shall be created and notified to the Committee on the System of Evaluating Incorporated Administrative Agencies.

[2] Development of new mid (to long) -term objectives

It shall be determined around the end of February and instructed to incorporated administrative agencies.

[3] Development of and permission for a new mid (to long) -term plan (draft)

Agencies shall get permission from the Minister of Education, Culture, Sports, Science and Technology by the end of March.

4 Items related to handling agency under co-jurisdiction

To evaluate incorporated administrative agencies co-managed by more than one competent minister, such ministers shall make collaboration: evaluations on operations under the jurisdiction of a competent minister shall be made by the

minister, and evaluations on items related to the overall evaluation and those under the common jurisdiction shall be made through the collaboration, such as through consultation among ministers.

At the time, we should keep in mind that we should make effective evaluation, such as removal of repetitions in evaluation procedures.

In principle, one Evaluation Report shall be prepared for final evaluations, such as annual evaluation, estimated evaluation, and evaluation of the operating results during the period of such said incorporated administrative agencies.