

May 23, 2014

Council for Science, Technology and Innovation

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The “Expenditure on Science, Technology and Innovation Promotion” (allocated by the Cabinet Office; hereinafter referred to as “promotional expenditures”) is implemented in accordance with the policies explained below. The healthcare related budgets are implemented by the Headquarters for Healthcare and Medical Strategy.

1. Basic policies for promotional expenditures

It is demanded to create markets offering promising future for the industry in Japan, contributing to the recovery of Japanese economy by solving important national issues. To accomplish this, there is no question as to the importance of R&D and its promotion by the government, but this is hardly sufficient. What is needed more is to inspire private investment in R&D by leveraging the government investment into R&D, leading to the national commitment for R&D with adequate sharing of roles by public and private sectors. In this light, the Council for Science, Technology and Innovation (“CSTI”) has endeavored to enhance its capability to promote strategies while taking into account overall efforts by ministries and agencies, and further attempting to generate innovation beyond the framework of government ministries. As part of it, CSTI decided to promote the following programs to which CSTI allocates budgets from its promotional expenditures primarily in its efforts of solving important issues including the development of key technologies and promoting private investments for R&D beyond the framework of government ministries:

(1) Cross-ministerial Strategic Innovation Promotion Program (“SIP”)

SIP is a cross-ministerial R&D program featuring industry-academia-government cooperation to promote focused and end-to-end R&D from basic research to exit (practical application and commercialization).

(2) Public/Private R&D Investment Strategic Expansion Program (“PRISM”)

PRISM encourages government ministries to implement and accelerate their efforts with CSTI taking on initiative for R&D in the areas where increases in public-private investment for R&D are expected.

2. Promotion systems for SIP and PRISM

(1) The Governing Board

The Governing Board was set up under CSTI to promote SIP and PRISM in a uniform and flexible manner. The expert members of CSTI are composed of board members.

The Governing Board may ask persons other than its members to join as required.

To support administrative work, the Governing Board may appoint the Executive and Deputy Directors in charge of SIP.

(2) SIP related work

1) Formulation of SIP implementation policies

The Governing Board formulates SIP implementation policies consisting of the following every fiscal year:

- SIP target programs (“programs”)
- Program director (see (2)-2) in Section 2)
- Basic requirements of the SIP R&D plan (see (2)-4) in Section 2)
- Annual budgets for individual programs

If flexible (exceptional) operations are required during the fiscal year, the relevant implementation policy should be formulated as needed.

2) Program Director

The program director (“PD”) is appointed for each program by the Prime Minister through the approval of the Governing Board. PD plays a central role in program management including the compilation of the R&D plan.

3) Promoting Committee

A promoting committee is formed for each program in the Cabinet Office, and chaired by PD. The Cabinet Office (Director General for Science, Technology and Innovation Policy; hereinafter collectively referred to as “the Cabinet Office”) takes charge of administrative work. The committee is composed of officers from related ministries and agencies and the management agency (a national R&D agency taking charge of administrative work for implementing SIP budgets) and other experts. The task of the committee includes the creation of the R&D plan for the program in charge and coordination required for implementation among others.

4) R&D plan

PD compiles the R&D plan for the allocated program in consultation with the Promoting Committee. The Governing Board examines and approves the R&D plan according to the SIP implementation policies.

The information to be contained in the R&D plan includes objectives (essential points), details of R&D, implementation system, matters concerning intellectual properties, matters concerning evaluation, and an exit strategy (strategy to achieve practical application and commercialization).

The Cabinet Office is the formal formulator of the R&D plan.

5) Implementation system

The Cabinet Office and relevant ministries and agencies establish an optimum implementation system according to the R&D plan to maximize R&D outcomes.

Promotional expenditures are transferred to related ministries and agencies, and depending on the program, can be used as grants for operating expenses to the national R&D agency.

6) Handling of R&D outcomes

The Cabinet Office and relevant ministries and agencies promote adequate management and application of intellectual properties for each program to ensure success of R&D and national benefits from practical application and commercialization of R&D outcomes while providing incentives to encourage outstanding human resources and organizations to participate in the programs.

7) Evaluation

The Governing Board provides necessary advice and carries out evaluations of SIP and R&D plans and

progress status of individual programs. The results of evaluation are fed back to the SIP implementation policies in the next fiscal year.

The Governing Board invites experts from outside for evaluation as needed.

8) Management of operating expenses

The management agency, if appointed, should manage grants for operating expenses exclusively allocated for SIP separately from other grants for operating expenses.

9) SIP operational guidelines

Beside the above, the Governing Board decides the operational guidelines required for implementing SIP.

(3) PRISM related administrative work

1) Formulation of PRISM implementation policies

The Governing Board formulates PRISM implementation policies consisting of the following every fiscal year according to a number of strategies developed by CSTI or CSTI in collaboration with other control tower headquarters, etc. to implement or accelerate the important measures for CSTI:

- Measures to which PRISM is applied
- Budgets allocated to individual measures
- Implementation period for individual measures

2) Area director

The Governing Board may appoint area directors to formulate PRISM implementation policies.

The area director examines measures to be implemented and the budget allocation for them according to a number of strategies, in addition to follow-up of the implementation status of the measures concerned.

3) Handling of promotional expenditures

Promotional expenditures are transferred to ministries and agencies which implement the measures, and depending on the program, such expenditures can be used as grants for operating expenses of the national R&D agency.

4) PRISM operational guidelines

Beside the above, the Governing Board decides the operational guidelines required for implementing PRISM.

3. Others

Promotional expenditures may be appropriated as expenses for implementing the SIP and PRISM, including those related to PDs and area directors, those related to operations of the Governing Board, Promoting Committee and expert panels, and those related to flexible surveys and other related works.

It should be noted that the “Promotion System concerning the Public/Private R&D Investment Strategic Expansion Program” (CSTI, April 21, 2017) will be abolished.