

# Summary of the PRISM System Reform Model



## The PRISM System Reform Model—An approach to create innovation in reforming the current structure, system, and regime

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#### The System Reform Model is evolved from PRISM

**Q:** In PRISM, the “System Reform Model” is established separately from the “R&D Model,” with a different screening system. What is the intention behind it?

**UEYAMA Chair:** After the actual implementation of PRISM, the original schemes from each ministry and agency did not proceed as we expected at first. However, the schemes produced the results in the sense of incorporating the elements of R&D into the existing projects each ministry and agency had granted subsidies to and transforming to the projects pointing to innovation of science technology. From this experience, we came up with new ideas such as a different approach beyond an R&D model or a system reform consistent with the principles of PRISM. After careful consideration, the system reform model was finally established. Accordingly, it should be regarded as an evolved version of PRISM rather than a separately constructed model.

While the experts in respective fields of study examine the R&D models in the “PRISM Review Board,” the System Reform Model is reviewed by the “Screening Committee,” as it requires a different viewpoint. I have assumed the position of the chair, as I have expertise in system reform as a policy specialist. I oversee wide-ranging areas from four different projects. As any project, regardless of fields, faces similar challenges regarding building the system, I try my best to share my knowledge and give useful advice.

#### Efforts to attract private funds to national universities

**Q:** Could you tell us about the “Project for Enhancing the Environment to Create Innovation in National Universities?”

**UEYAMA Chair:** We wanted to reform the financial situation of national universities which were dependent on management expenses grants. We explored various ways to attract private funds such as securing donations, stimulating joint research with private companies, and increasing the ratio of indirect costs. Also, we realized universities must advocate for the high possibility of creating innovation toward private companies to attract their funds.

The funds have been distributed through PRISM that universities could spend at their own discretion for two years in principle if they strive to acquire private funds. We have seen the good effect that leads to positive attitudes among universities, as the ratio of indirect costs for joint research increased. Moreover, the announcement

of the successful experiences of the universities such as an increase in indirect costs helps other universities see the direction of financial improvement. It results in the behavior modifications of universities such as the enhancement of IR (Investor Relations) activities, etc. Although the budget for this project is significantly smaller compared to the one MEXT allocates to national universities, we think it suits the principles of PRISM to reform the original measures.

#### Support startups with a new approach

**Q:** Could you also tell us about the “Project for Promoting Creation of Startup Ecosystems (Startup Project)”, “Project for Accelerating new SBIR (Small Business Innovation Research) (New SBIR Project)” and “Support Project for Accelerating Standard Utilization (Standard Utilization Project)?”

**UEYAMA Chair:** Both Startup Project and New SBIR Project support startups. Established in the United States in 1980s, the SBIR was the program which the government played a role of public venture capital (VC) to support startups for a given period by purchasing the deliverables. However, the Japanese SBIR system became rather like relief work for small and medium-sized enterprises, not the assistance for creating innovation as in the United States. Consequently, we decided to review the system, revised the law, and took cross-ministry schemes designating the Cabinet Office as the control tower.

Although we do not think PRISM alone should address various issues related to startups, we plan to advance our startup initiative, while the Startup Project provides support for the hub cities of startup ecosystems and the New SBIR Project provides support for cross-ministry projects.

As Japan is behind in developing international standardization, it is significant in terms of a policy target. The Standard Utilization Project has just begun. While we need an ample budget for proceeding with this project on a full scale, CSTI needs a drastic change as well.

**Q:** Lastly, could you briefly share your prospects with us?

**UEYAMA Chair:** Unfortunately, some ministries and agencies appear to be using PRISM due to insufficiency of the budget. Instead, we anticipate needs to use PRISM for the measures which they find difficult to implement. If that happens, major change might occur.

CSTI will continue emphasizing its social impact and playing a key role as a control tower.