



Introduction of Research and Development Project Evaluation System at NEDO

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New Energy and Industrial Technology
Development Organization(NEDO)

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-Overview of NEDO-

•Establishment

-Established in October 1980 as a semi-governmental organization under the supervision of Ministry of Economy, Trade and Industry (METI) .

- Original activities :

- national R&D projects on new energy

-Current activities :

- Support of industrial technology R&D (in 1988)
- Support of environmental technology R&D (in 1990)
- Introduction and promotion of new energy and energy conservation technology(in1993)
- Acquisition of Kyoto Mechanism Credits (in 2006)

-NEDO became an Incorporated Administrative Agency as of October 2003 as part of the process of recent government reform.

-Overview of NEDO-

- **Mission**

-NEDO's current missions are:

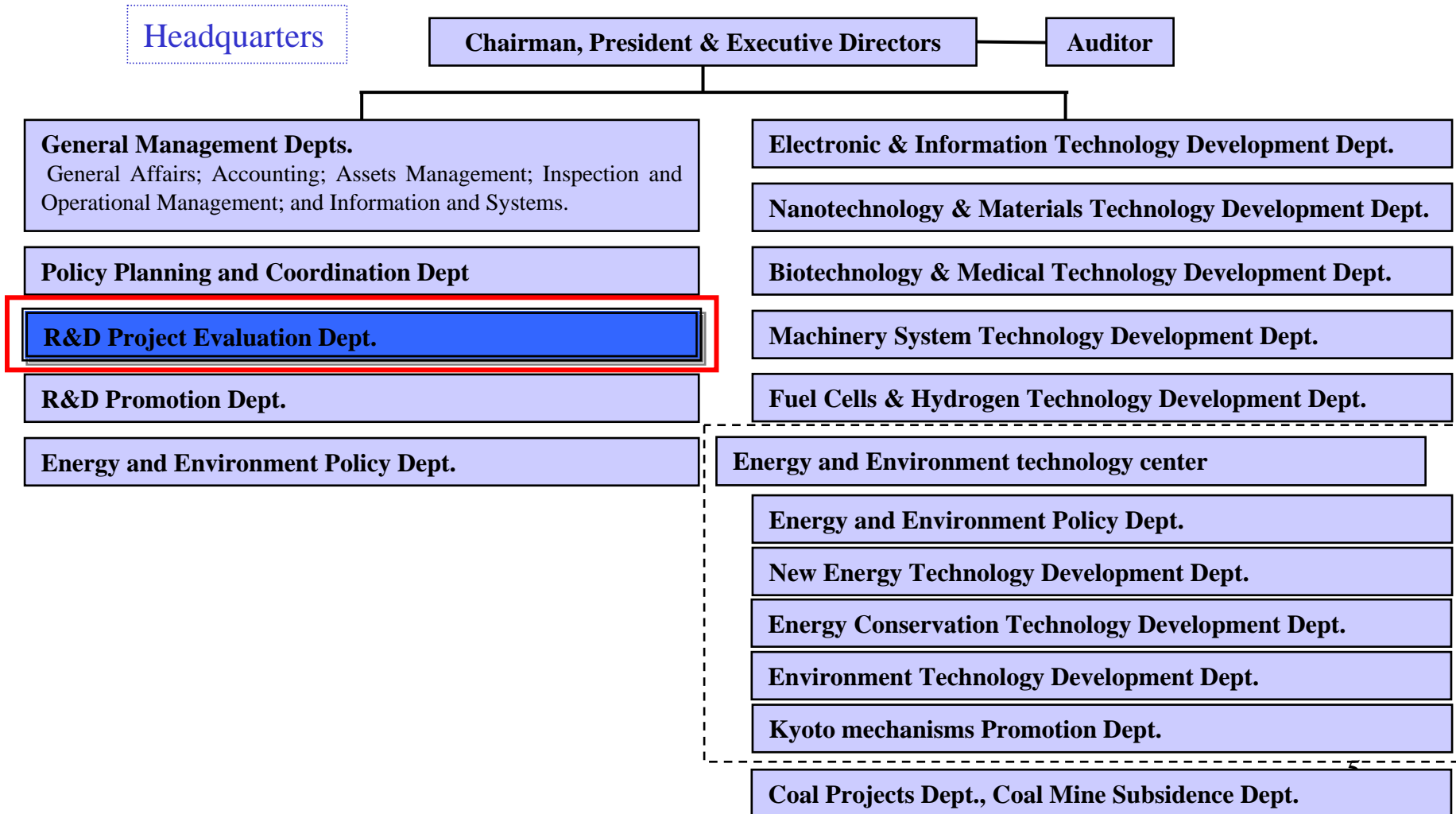
- Promote new energy and energy conservation technologies through R&D and subsidy programs
- Conduct and support industrial technology R&D
- Enhance international cooperation related to energy and other technologies
- Support efforts to achieve Japan's Kyoto Protocol targets

-Overview of NEDO-

• Organization

Staff : approximately 1,100

Budget : US\$1.9 billion(FY2006)



-Overview of NEDO-

- **R&D Support**

- R&D support is NEDO's core activity.

- 58% of the total budget (US\$1.1 billion) is allocated for R&D activities in FY 2006.

- Number of NEDO's R&D projects in FY2006 is 142.

NEDO's R&D Technology Areas

- | | |
|--|---------------------------|
| - Electronics and information | - Environment |
| - Nanotechnology and materials | - Fuel cells and hydrogen |
| - Biotechnology and medical technology | - New energy |
| - Machinery systems | - Energy conservation |

-Overview of NEDO-

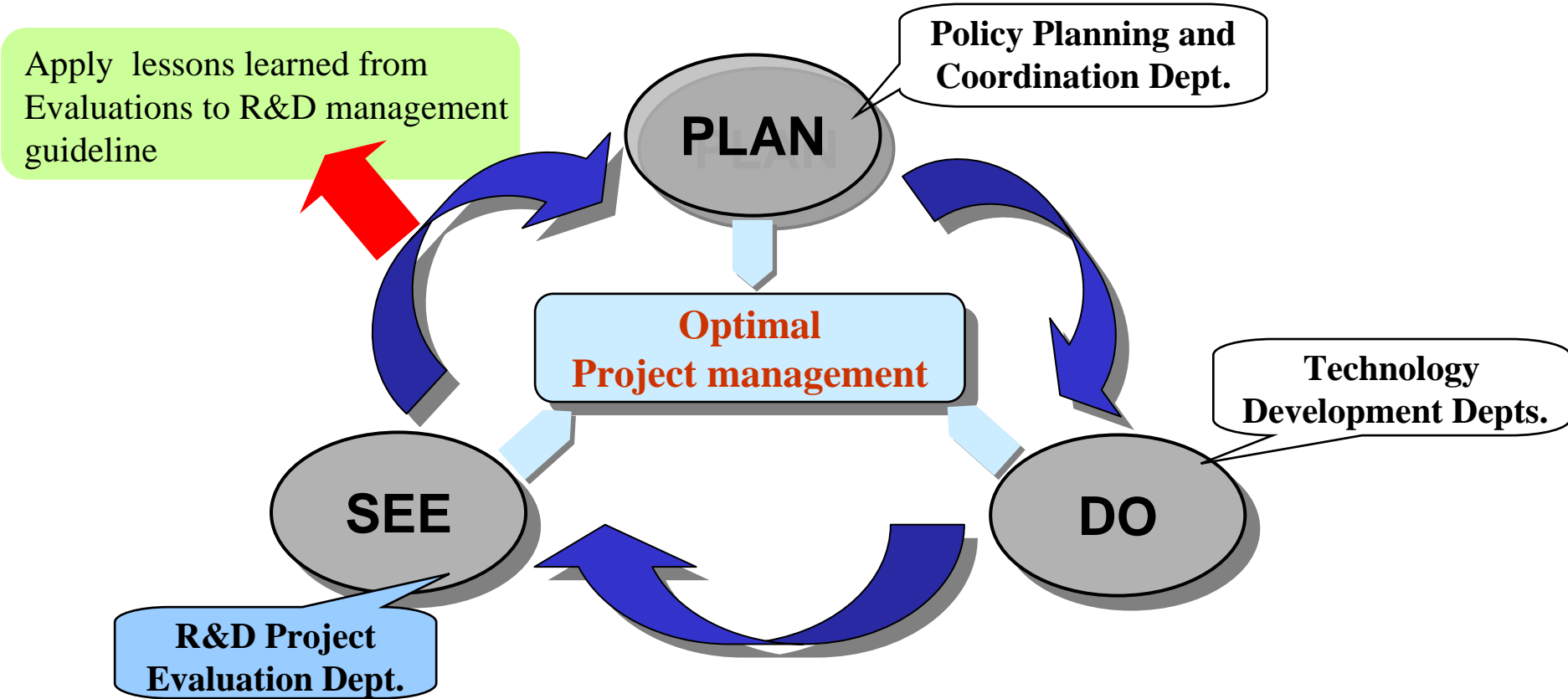
- Challenge for NEDO

- Need more effective and efficient operation through:

- Improved services
 - Flexible resource management

-R&D EVALUATION AT NEDO-

- R&D Project Management Cycle



-R&D EVALUATION AT NEDO-

- Purposes of R&D Project Evaluations
as an important part of the R&D project management cycle.
 - To ensure that R&D activities appropriately address economic and social needs
 - To implement R&D projects more effectively and efficiently
 - To improve project management system

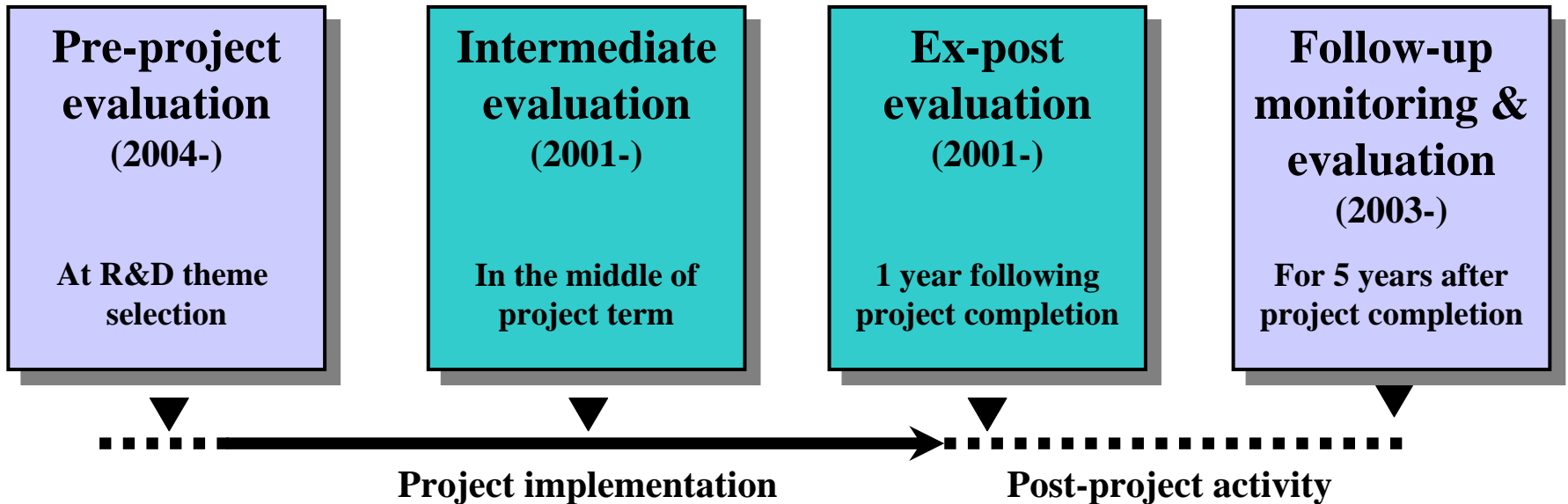
-R&D EVALUATION AT NEDO-

• 5 Principles of Evaluation at NEDO

- Transparency** : Public disclosure of evaluation results, methods, and reflections
- Explicit expression** : Encourage discussions between evaluated parties and evaluators
- Effectiveness** : Adopt an evaluation method for self improvement of management
- Neutrality** : External evaluators through a third party
- Efficiency** : Simple evaluation procedures

-R&D EVALUATION AT NEDO

- R&D Project Evaluations



-R&D EVALUATION AT NEDO



•Intermediate & Ex-post Evaluations

Start : FY2001 -

Actual achievement

Fiscal Year (FY)	total	Intermediate Evaluations	Ex-post Evaluations
2001	39	30	9
2002	40	13	27
2003	58	29	29
2004	59	29	30
2005	21	6	15
2006*	28(62)	5(6)	23(56)

* : () expected at the end of FY2006

-R&D EVALUATION AT NEDO-

- **Intermediate & Ex-post Evaluations**

- In all procedures, 5 principles are followed

- Each project is assessed and evaluated in term of the following 4 categories :

- purpose and strategy

- project management

- R&D achievements

- prospects for practical applications and other impacts

-R&D EVALUATION AT NEDO-

- Intermediate & Ex-post Evaluations

- R&D Evaluation Methodology (Rating Method)

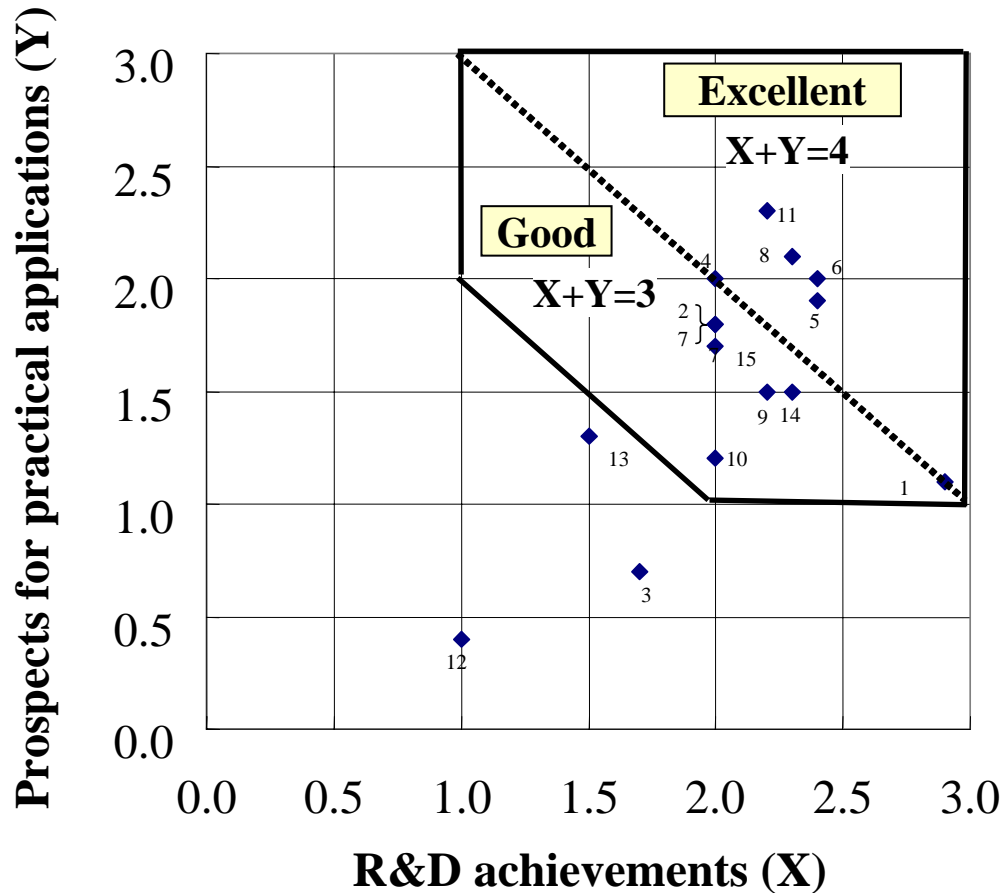
1. Each evaluator grades (A, B, C or D) for each evaluation item.
A: Excellent, B: Good, C: Acceptable, D: Not acceptable
2. An average of rating is used as an indicator.
A=3, B=2, C=1, D=0

【example】

Items for evaluation	average	ratings					
1. Purpose and strategy	2.3	A	A	B	B	B	B
2. Project management	1.8	A	B	C	B	C	B
3. R&D achievements	1.5	B	C	C	C	B	B
4. Prospects for practical applications and other impacts	1.2	B	B	D	C	C	C

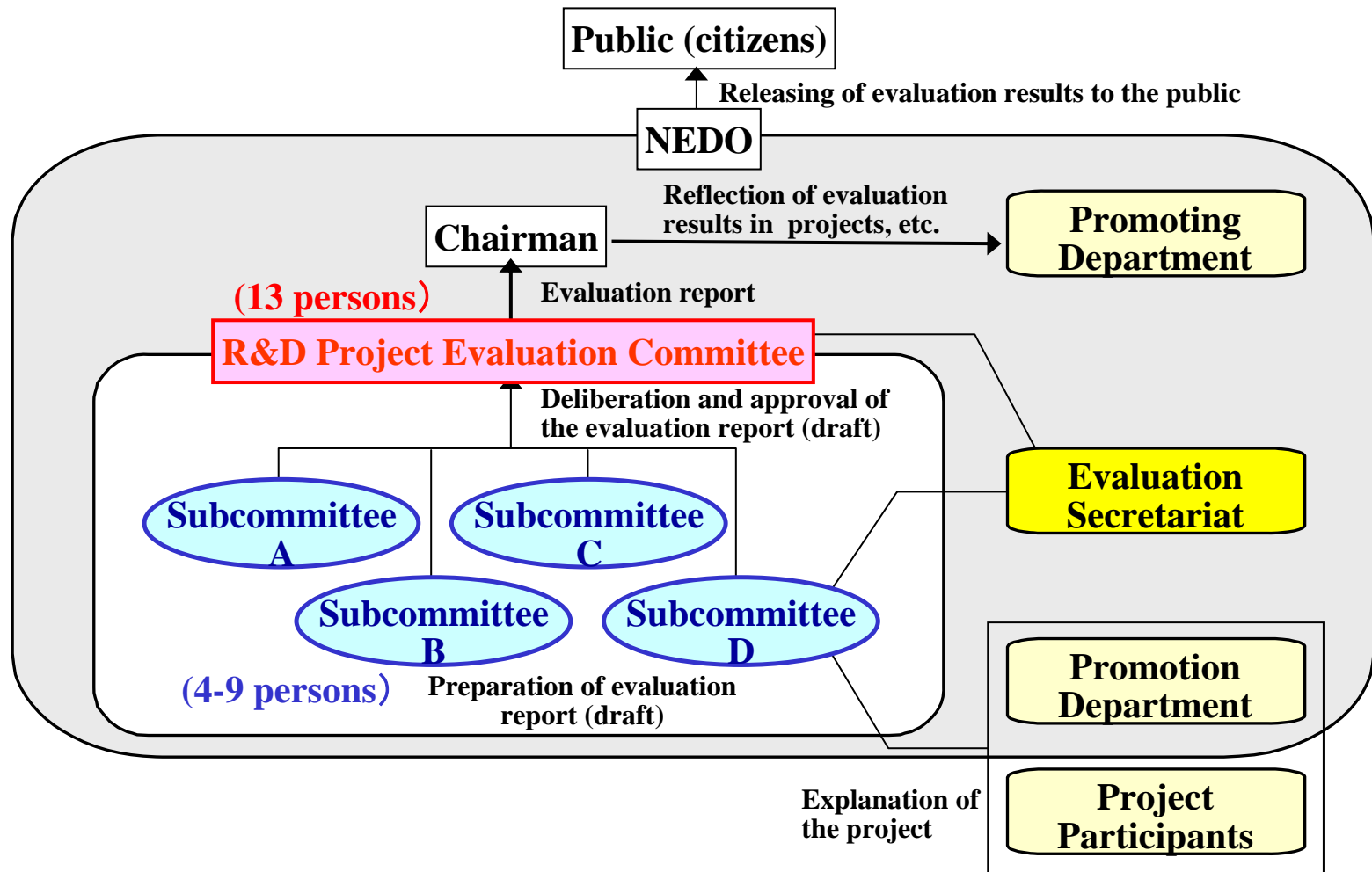
-R&D EVALUATION AT NEDO

Score Results for Ex-post Evaluation in FY2005



-R&D EVALUATION AT NEDO-

- Intermediate & Ex-post Evaluations



-R&D EVALUATION AT NEDO-

- Intermediate & Ex-post Evaluations

-In response to evaluation results:

- Lessons learned from ex-post evaluations may be applied to other on-going or new projects.
- Intermediate evaluations may result in modification or termination of projects.

Responses to Intermediate Evaluation Results

	2001 (start)	2002	2003	2004	2005
Accelerated	-	-	2	13	3
Continued as planned	4	2	12	12	1
Modified	16	6	15	6	5
Terminated	2	5	2	2	0
total	22	13	29*	29*	6*

*some items are overlapping: all items added up do not match the **total**

-R&D EVALUATION AT NEDO-

- Follow-up Monitoring & Evaluation
(since 2003)

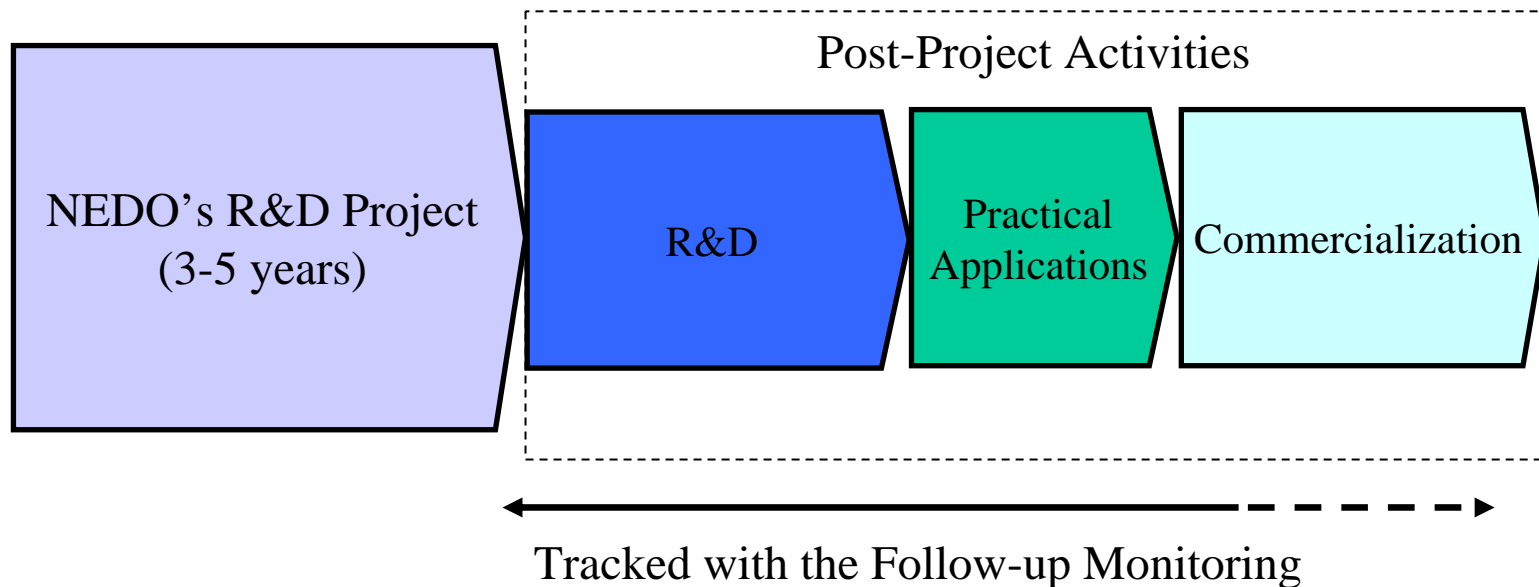
-Objectives of this new initiative are:

- To understand in what ways specifically the outcome of R&D provides benefits to the public
- To apply the outcome of R&D in improvement of the management and planning function at NEDO

-R&D EVALUATION AT NEDO-

- Follow-up Monitoring & Evaluation

Post-Project Activities of Private Companies



-R&D EVALUATION AT NEDO-

- Follow-up Monitoring & Evaluation

- NEDO conducted follow-up monitoring & evaluation in FY2005:

- Subjects: 110 R&D projects , 1,089 entities

- These projects subject to follow-up monitoring & evaluations completed in FY2001-2004.

- These entities include private companies, universities, research institutes, and public institutions.

- Use:

- Make suggestions for improvement

- Compile key points of R&D management to guideline

CLOSING

- Evaluations will play an increasingly important role in:
 - Improving performance of NEDO as an Incorporated Administrative Agency
 - Facilitating effective and efficient implementation of R&D projects.

CLOSING

- NEDO intends to
 - Review the current evaluation system
 - Make appropriate modifications
 - Propose new initiatives

Thank you for your kind attention.

To be continued...