

Article 12 of the Law concerning the General Rules of the Independent Administrative Institutions stipulates that the performance of independent administrative institutions shall be evaluated by a third party organization, which is the Independent Administrative Institution Evaluation Committee. The Independent Administrative Institution Evaluation Committee, placed under the Ministry of Economy, Trade and Industry, evaluated our institute on a scale of A to D. We were rated A, the highest rating, for our overall performance in fiscal 2001, our first fiscal year. We understand that the rating reflected the fact that we were able to benefit from the independent administrative institution system. We will further endeavor to operate effectively and improve our performance through flexible revision of our targets and plans.

A Evaluation Item 1: Improvement in the quality of services offered to the public

As a result of the evaluation on the steady implementation of the system and approaches prescribed in the medium-term plan and the annual plan, including the achievement of the output indices, we were given a rating of A.

We were given high marks for setting a broad array of research topics to meet the needs for structural reform, but there were also areas cited as needing improvement, including the better prioritizing of subjects in which policy proposals are to be made and the presentation of the general framework. In terms of research results and their level of quality, the evaluation gave high marks to our policy directions and our solid foundation in both practical and theoretical terms. Also appreciated were our policy suggestions through publications and on our Web site, which are steadily attracting attention, but the evaluation pointed out that we should continue these attempts to increase their impact on actual policies. We met the targets in all output indices in our first year but the evaluation pointed out that the indices themselves need to be revised.

A Evaluation Item 2: Improvement in efficiency of project management

In this respect as well, we were given an A rating because our effective personnel deployment, which takes advantage of the system of independent administrative institutions with non-civil service status, meets its objective. We were also given high marks in our use of information systems, including timely information disclosure on our Web site not merely in Japanese but in English and Chinese as well. The evaluation underlined the need for us to make further improvement in personnel positioning and to continue our efforts for greater efficiency in activity management.

B⁺ Evaluation Item 3: Budget, income-expenditure plan and funding plan

The closing balance of more than ¥1.84 billion and the realized revenues of more than ¥1.3 billion represented a slight divergence from the plan, with a budget size of more than ¥2.21 billion and operational grant receipt of more than ¥2.0 billion, although they were within the budgeted range. In view of the potential for better results with the given resources, we were given a rating of B⁺. The analysis revealed that key factors included limitations imposed by the fact that this was the inaugural year of the institution and therefore of our efforts for efficient management. The comments advised us to introduce an incentive system that pools the cost-cutting results achieved through managerial efforts and that operates with more powerful discretion. We will also look at introducing a paid admission system for future conferences, in response to another suggestion that we take advantage of such conferences as earning opportunities, setting a price that does not discourage the dissemination of our results while also not missing any natural earning opportunities.

A Evaluation Item 4: Other operational management matters and personnel planning

We received a rating of A for our operational management compliance with the plan, as exemplified by our focused deployment of diverse human resources in research-related sections, which has been enabled by the flexible employment system allowed for independent administrative institutions with non-civil service status. The ratio of those on a fixed-term contract was 81%, exceeding the 50% target in the initial plan. But in terms of personnel management, we were advised to create a relationship with supervising government organizations that is free from any suspicion of favored positions being provided to former government officials (the practice known in Japan as *amakudari*.)