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The National Science Foundation's Tokyo Regional Office periodically reports on developments in Japan that are related to the Foundation's mission. It also provides occasional reports on developments in other East Asian countries.

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Report Memorandum #09-06

Japanese Government S&T-related Budget Request for JFY2010

The new Japanese Administration is in the midst of working on its first budget.

*This report, prepared by the NSF Tokyo Regional Office,
summarizes the requested S&T-related budget.*

NSF Tokyo will report on the final budget proposal when it is made public.

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[An exchange rate of ¥100/\$ is used throughout the report.]

Background:

The Japanese Council for Science and Technology Policy (CSTP) has made public the science and technology-related budget requests for the Japanese Fiscal Year (JFY) 2010 (April 2010-March 2011) submitted by the various ministries/agencies. They were prepared based on the new JFY2010 S&T-related budget allocation guidelines established by the new administration led by Prime Minister Hatoyama.

The total requested amount for all the government S&T activities has increased to ¥3,663.5 billion (~\$36.6 billion) from the budget for the previous year of ¥3,540.6 billion

(~\$35.4 billion), an increase of 3.5 percent. As in the previous years, the budget requested by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) constitutes 64.3 percent of the total S&T-related budget request. It is followed by METI's (Ministry of Economy, Trade and Industry) request at 15 percent. Table 1 is a summary of the budget requests by ministry/agency.

Table 1: JFY2010 S&T-related Budget Request by Ministry/Agency

(Unit: ¥Billion)

Ministries and Agencies	JFY2009 S&T-related Budget	JFY2010 S&T-related Budget Request	Increase/Decrease (%)
Ministry of Education, Culture, Sports, S&T	2,341.3	2,356.5	0.6
Ministry of Economy, Trade and Industry	531.6	555.7	4.5
Defense Agency	131.7	179.3	36.1
Ministry of Health, Labor, and Welfare	135.1	166.3	23.1
Ministry of Agriculture, Forests, and Fisheries	135.0	138.0	2.2
Ministry of Internal Affairs and Communications	70.9	64.1	-9.5
Cabinet Secretariat	64.3	63.9	-0.5
Ministry of Land, Infrastructure, and Transportation	57.0	56.8	-0.4
Ministry of Environment	35.0	40.3	15.2
Cabinet Office	18.0	21.9	21.5
Ministry of Foreign Affairs	9.3	9.0	-3.2
Ministry of Justice	6.3	6.4	0.6
Police Agency	2.4	2.4	2.0
Diet	1.1	1.5	29.5
Ministry of Finance	1.5	1.4	-1.9
TOTAL:	3,540.6	3,663.5	3.5

As in the previous years, the scientific value of the requested S&T-related budgets is being reviewed by CSTP. Through this process, the new projects will be ranked-ordered into four categories (S, A, B, and C); and continuing projects will be categorized into the three priority groups.

Differing from the previous years, the JFY2010 budget request is undergoing an additional review by the Government Revitalization Unit (GRU). GRU, newly established within the Cabinet Office to review the national budget and funding systems, is tasked to cut any waste

and/or duplication of programs/projects between the ministries/agencies. GRU is reviewing 447 national programs/projects identified by the various ministries, including those in the S&T fields. The GRU began its review on November 11, and will complete it by the end of November. The process is open to the public and the review results are being posted on the Cabinet Office's homepage.

The Ministry of Finance (MOF) will refer to the CSTP's and GRU's review results before drafting the Government's JFY2010 budget proposal by the end of December 2009. Parallel to this, the ministries and agencies negotiate their budget requests with MOF. The JFY2010 budget proposal will be discussed at a Diet session in early 2010 and approved by the Diet by the end of March 2010.

New Guidelines:

The new JFY2010 budget allocation guidelines place the priority on (1) promotion of 'Green Innovation' to support the national goal pledged at the United Nations Climate Change Summit in September 2009 by the Japanese Prime Minister that Japan will decrease its greenhouse gas emissions by 25 percent by 2020 from the base year 1990; (2) realization of healthy and long-life society; (3) regional S&T promotion; (4) practical application of S&T investment results; (5) support to innovative technologies; and (6) promotion of science diplomacy. The guidelines recognize the importance of basic research as well as S&T education at all levels. Table 2 shows the major budget requests made under the Green Innovation.

Table 2: JFY2010 Budget Request for Major Programs/Projects under the Green Innovation

(Unit: ¥Million)

Ministries/ Agencies	Program/Project	JFY2009 Budget	JFY2010 Budget Request	Increase/ Decrease (%)
METI	Solar energy for housing	20,050	41,238	105.7
METI	New energy introduction	36,439	38,845	6.6
MEXT	Fast breeder reactor	34,687	38,414	10.7
METI	New energy R&D	7,960	12,154	52.7
METI	International energy consumption efficiency	8,289	10,208	23.2
MEXT	ITER (International Thermonuclear Experimental Research)	11,088	10,000	-9.8

METI	Clean energy for automobiles	2,550	10,000	292.2
METI	Highly efficient water boiler	10,005	9,000	-10.0
METI	Highly efficient energy system for buildings	5,650	8,248	46.0
METI	Fuel cell for consumers	6,065	8,000	31.9
MEXT	Marine-earth observation system	6,780	7,923	16.9
MLIT	Marine-earth environment observation satellites	7,732	7,546	-2.4
METI	Innovative energy-saving technologies	7,000	7,000	0.0
METI	Complex system for storage batteries	0	6,430	NEW
METI	CO2 reduction technologies	2,260	5,900	161.1
METI	New power generation reactor	5,350	5,621	5.1
MOE	Comprehensive environment research	5,115	5,420	6.0
METI	Polymer electrolyte fuel cell	0	5,100	NEW
MOE	Global warming	3,805	5,071	33.3
MEXT	Strategic basic research	2,447	5,062	106.9
	TOTAL	333,933	410,644	23.0

METI: Ministry of Economy, Trade and Industry

MEXT: Ministry of Education, Culture, Sports, Science and Technology

MLIT: Ministry of Labor, Infrastructure and Transportation

MOE: Ministry of Environment

Reduction in Economic Stimulus Package-2009 by the New Administration:

While preparing the JFY2010 budget, the new administration simultaneously reviewed the Economic Stimulus Package-2009 that had already been appropriated by the previous administration. As a result, the original S&T-related budget of the Economic Stimulus Package-2009, ¥1,346.5 billion (~\$13.5 billion), was reduced by 30 percent to ¥944.6 billion (~\$9.4 billion). Table 3 shows a summary of the original JFY2009 S&T-related supplemental budgets and the amounts after reduction. An example of reduction is seen in the two programs that were established in the 'special fund' of ¥300 billion (~\$3 billion) (see <http://www.nsftokyo.org/rm09-03.pdf>). ¥270 billion (~\$2.7 billion) of the special fund was originally planned to be used for FIRST (Funding Program for World-leading Innovative R&D on S&T). It was reduced to ¥150 billion (~\$1.5 billion), and then further broken down to ¥100 (~\$1 billion) for FIRST and ¥50 billion (~\$0.5 billion) to support young researchers in their 20's-40's and women researchers. The rest of the special fund, ¥30 billion (~\$0.3 billion), was originally programmed to send young Japanese researchers abroad, but was reduced to ¥7.6 billion (~\$0.076 billion) (see <http://www.nsftokyo.org/rm09-05.pdf>).

Table 3: Economic Stimulus Package (Supplemental Budget)-JFY2009

(Unit: ¥Billion)

Ministries and Agencies	JFY2009 Supplemental Budget	Amounts after Reduction
Ministry of Education, Culture, Sports, S&T	656.2	443.2
METI: Ministry of Economy, Trade and Industry	344.9	287.4
Ministry of Health, Labor, and Welfare	230.7	162.2
Ministry of Internal Affairs and Communications	58.1	19.8
Ministry of Agriculture, Forests, and Fisheries	40	21.3
Ministry of Land, Infrastructure, and Transportation	8.7	7
Ministry of Environment	3.5	2.9
Cabinet Office	3.3	0.1
Ministry of Justice	0.8	0.6
Police Agency	0.3	0.3
Defense Agency	0.1	0
Diet	0	0
Cabinet Secretariat	0	No reduction
Ministry of Foreign Affairs	0	No reduction
Ministry of Finance	0	No reduction
TOTAL:	1,346.50	944.6