Basic Policies for Green Innovation Fund (Summary)

The Ministry of Economy, Trade and Industry (METI) formulated <u>the "Basic Policies," which stipulate the policies for implementation of the fund projects commonly applied to the respective R&D fields</u>, including the target of support in the funded projects, the mechanism for maximizing the results, and the implementation system. The contents of <u>the Basic Policy will be reviewed flexibly based on the progress of the projects.</u>

1 Purpose and Outline

To achieve carbon neutrality by 2050, <u>METI established a 2 trillion-yen fund</u> as part of NEDO and provide continuous support for R&D projects, demonstrations, and social implementation projects for 10 years to companies that commit to ambitious goals.

Support Target

METI's support will focus on **priority fields for which implementation plans** have been formulated within the Green Growth Strategy, where **policy** effects are significant, and long-term continuous support is required to realize public implementation.

- Average size of conventional R&D projects (20 billion yen) or more.
- Projects for which short-term government support programs is sufficient are not eligible.
- Main implementers should be companies or other profit-making businesses capable of carrying out the entire process of public implementation (participation of small and medium-sized venture companies is encouraged; participation of universities and research institutions is also expected).
 - The project must include innovative and fundamental R&D elements that are worthy of being commissioned by the government.

2 Program Target

(Per project)
Ambitious 2030 Target

(Performance, Cost, etc.)

Monitor Cross-sectoral monitoring of fund projects based on the following;

- *International Competitiveness
- *Commercialization (TRL, etc.)
- *Potential for attracting private investment

CO₂Reduction
 Effect

• Economic Effect

4 Strategy for Maximizing Results

To ensure that research and development results are steadily implemented publicly, METI seeks the commitment of the managers of companies and other organizations to persevere in challenging these goals as long-term business issues.

(Efforts required of company managers)

- *Submission of the vision and the long-term business strategy at the time of application
- *Attendance and report to the WG
- *Submission of a management sheet showing the status of initiatives

(Implementation of a system to enhance commitment)

- If the status of the project is inadequate, the project will be canceled, and a portion of the consignment fee will be returned.
- 2) Introduction of a system (an incentive measure) that allows the government to pay more depending on the degree of achievement of targets.

5 Scheme

*Planning of each project*2, etc.

Build a highly transparent and effective governance system that incorporates the knowledge of external experts and close cooperation among related organizations.

Green Innovation Project Field-specific working groups (WG) Installation committee *Deliberation on the content and scale of Report *Deliberation on the "Basic Policy" each project, etc. *Preparation of the "Policy for Allocation *Confirmation of the status of the project, of Funds for each Field," etc. Presentation and Presentation and deliberation of proposed R&D and public Progress reports deliberation of the and Advice implementation plan*1 draft basic policy METI NEDO Subsidize *Project Management office for the *Management and administration of funds and committee and WGs *Administrative work related to public solicitation. collaboration screening, inspection, payment, etc. *Preparation of basic policies *Technical and business advice by experts, etc.

Program Schedule From April From March Every year March 2021 at any time onward onward *Deliberations i *Preparation of policy for each *Public Offering, Examination, Inspection, Payment, etc. *Deliberations Implement the **Formulate** *(NEDO \rightarrow WG \rightarrow c Periodic monitoring **Organize the Projects** Evaluate **End of the Projects** for ation of fund all r each fie¹⁷ the the Ξ. Basic **Projects** termination the projects committee) committee allocation Policy

- 1 A plan describing the project's goals for 2030, R&D items, maturity level of the target technologies (TRL, etc.), budget scale, etc. (A draft of the plan is discussed by the WG.)
- 2 Including the division office in charge of the project in the relevant ministry or agency.