

# Public Policy

## Realizing High Quality Public Services Based on Peoples' Needs



Of the eight Millennium Development Goals (MDGs), relevant goals are shown in color.

To achieve stability and sustainable development in developing countries, it is essential that the countries become capable of mobilizing, allocating and managing their resources efficiently and in ways that reflect the will of the people. To this end, “governance,” or the mechanisms to manage a country’s affairs encompassing not only the

government but also the civil society and the private sector, will be key. JICA’s public policy assistance helps to strengthen governance in developing countries through cooperation for developing legal and judicial systems which support the backbone of society, increasing administrative efficiency and transparency, and improving administrative capacity of local government, and by strengthening fiscal and financial systems. This support aims to promote sustainable growth in these countries and realize a fair and democratic society.

Many developing countries suffer from weak institutions and foundations, including legal and judicial systems, administrative organs and fiscal management, as well as lack human resources to operate these processes properly. Weak social infrastructure can be a hindrance to a country’s development and may significantly undermine the efficacy of development assistance.

Recognition of the importance of good governance and a strong sense of ownership of developing countries are indispensable elements in ensuring effective public policy assistance for strengthening the countries’ basic mechanisms and institutions. JICA places emphasis on the notion of capacity development (CD) as a means to support intrinsic developmental processes at individual, organizational and societal levels.

## Governance

### Capacity Development for Legal and Judicial Sectors

#### Overview of Issue

Establishing the “rule of law,” namely the assurance of the legitimacy of established rules, the establishment of impartial dispute-resolution systems and the guarantee of access to these systems, is essential to the building of good governance.

People may resort to violence or payoffs to resolve disputes in societies that do not have suitable rules or a fair and transparent procedure for conflict resolution. This could lead to violations of the rights of disadvantaged groups such as the poor and women, and even to social unrest. In addition, methods of resolving conflict may be unreasonable and unpredictable, which could add to the cost of transactions and hinder economic activity.

Capacity development for the legal and judicial sector also helps prevent corruption through improving transparency and accountability of administrative execution and by increasing the clarity of standards for conflict resolution. However, it takes a long time for this process to take hold since it is not sufficient to simply set in place rules and institutions. It is also necessary to

gain the trust of the public in legal and judicial systems.

#### JICA Activities

Beginning from the Meiji Restoration in the late 19th century, while Japan has incorporated the advanced legal systems of other states, it has customized and adapted those laws to the cultural and societal factors present within the existing system. The Japanese experience has contained useful knowledge that can contribute positively to the “rule of law” promotion processes, which many developing countries are undertaking today. These experiences include those of drafting, promulgating and revising laws and systems in accordance with the conditions and changes particular to the development of the nation, and which has led to the upgrading of legal systems in line with international standards and the realization of social stability and economic growth.

JICA provides support for the process of strengthening legal and judicial systems in developing countries with the aim of improving governance to ensure social stability and sustainable development, mainly in countries shifting to a market economy and those undergoing the reconstruction process. JICA’s support rests



Under the Training and Dialogue Program in Japan, “Trainer’s Training for Mediators,” participants, including participants from the Mongolian Supreme Court, discuss the problems of mediation through role playing (Mongolia, Strengthening Mediation System Project).

on the following core elements: 1) supporting the development of rules and regulations; 2) supporting the improvement of the capacity of public organizations that implement laws; 3) supporting the legal empowerment of people and society; and 4) supporting the development of legal professionals.

JICA believes in the importance of laws and legal systems that are in harmony with existing systems, culture and social and economic norms. Attention also needs to be given to the stage of development in the country and changes in the social landscape. JICA emphasizes dialogue in its approach and respects the ownership of a developing country in supporting the process of drafting rules and strengthening the judicial system. The aim is to provide support that takes root in the society itself.

JICA began its involvement with Technical Cooperation in the legal and judicial sector in 1996 with the launch of the Project in the Legal and Judicial Field in the Socialist Republic of Viet Nam. Since then, JICA's cooperation in this field has expanded toward developing countries shifting to a market economy or post-conflict countries.

JICA's cooperation in this field includes assistance for drafting basic civil laws (Viet Nam, Uzbekistan, Cambodia, Nepal, China), economic laws, e.g., competition law (Viet Nam, China, Indonesia), administrative laws (Viet Nam, Uzbekistan), improvement of court proceedings (Viet Nam), development of civil dispute resolution mechanism (Mongolia, Indonesia), capacity development of bar association (Viet Nam, Cambodia, Mongolia), development of legislative capacity (Laos, Timor-Leste) and capacity development of legal professionals (Viet Nam, Cambodia, Laos).

Since it takes time to promote the establishment of the "rule of law," JICA respects each country's ownership over the process



A national seminar was organized in Cambodia to disseminate knowledge about the Cambodian Civil Code and the Code of Civil Procedure drafted and enacted with JICA assistance since 1999 (June 2008).

and supports their self-help efforts so that countries, even those that have been assisted in this regard, promote legal and judicial development by themselves in the future.

### Strengthening Democratic Systems

In parallel with capacity development for the legal and judicial sector, JICA supports developing countries in establishing and strengthening democratic systems in the process of post-conflict

## Case Study Viet Nam Capacity Development for the Office of the National Assembly

### Knowledge and Know-How for Functioning Legislative Body

**Viet Nam has been undergoing economic reforms under the Doi Moi policy, and with the establishment of a new Constitution in 1992, political reforms associated with the transition to a market economy. With the aim of reforming the Vietnamese National Assembly, JICA has supported the Office of the National Assembly of Viet Nam through study visits in Japan since 2010 for three years. The study visits are designed to impart knowledge and know-how useful for the National Assembly to fulfill its role as a legislative body.**

#### A National Assembly that Reflects National Opinion

In the project's initial year of fiscal 2010, JICA organized a study visit for 15 members of the Office of the National Assembly, which

supports legislators in many functions including lawmaking.

During the study visits, with the cooperation of Japan's House of Representatives, knowledge was disseminated on the role of the House's departments (research bureau, legislative bureau, committees department, general affairs department's personnel division and public information divisions), lawmaking by legislators and the budget deliberation process. Also, active discussions took place on the role of the Office and the human resources sought for the smooth functioning of the National Assembly. In particular, participants expressed interest in Japan's high level of legislative capability, and many questions were asked about the processes leading up to the establishment of laws and specific tasks of the legislative and research bureaus. At the Hiroshima prefectural assembly, participants learned

about the relations between the central and local assemblies and exchanged views with members of the prefectural assembly.

The Deputy Chairman of the Office of the National Assembly who participated in the study visit commented, "This program made me realize once again the weight of the National Assembly's mission. I hope to promote reform one step at a time." Other participants also noted: "I was impressed by Japan's democratic management of the Diet," and "I hope to transform the National Assembly into one that reflects the national opinion."

In 2011 and 2012, JICA plans to organize study visits, in close consultation with the Office of the National Assembly of Viet Nam, for further discussions on the National Assembly reform in the context of Viet Nam's policies and new challenges.



state building as well as to developing countries undergoing political reform. This support is extended as part of the assistance for improving governance, and includes support for election management, strengthening legislative bodies, and enhancing capacity of mass media.

In fiscal 2010, JICA supported Nepal for reviewing media-related policies and regulations and strengthening the functions of Radio Nepal, the only national radio network that broadcasts to the entire country, in order to reinforce the capabilities of the media which plays a vital role in the post-conflict democratization process [ → See the Case Study on page 95]. Additionally, JICA is providing support to reform the National Assembly of Viet Nam, where political reform has become a necessity with over 20 years having passed since the Doi Moi policy was adopted and the country experiences remarkable economic development [ → See the Case Study on page 87].

## Public Administration

### Overview of Issue

JICA defines the role of public administration as managing society's resources, providing services and developing rules and environments for private-sector activities in order to fulfill the three missions of 1) guaranteeing the people's social rights and their right to exist, 2) enhancing social justice and adjusting disparities, and 3) promoting economic stability and growth. The scope of these functions is not limited to a specific sector, but can be extensively applied to widespread fields.

In many developing countries, the number of administrative officials is limited and the tax revenue structure is often weak, making the efficient provision of various public services difficult. Furthermore, there is often a lack of transparency in public works projects planning and tendering processes, as well as insufficient participation by local citizens and the private sector, which in

some cases lead to fraud, corruption and graft.

In order to tackle the above challenges in developing countries, it is necessary to 1) boost administrative quality and efficiency, 2) ensure optimal allocation of financial and human resources by increasing and strengthening their capacities, and 3) increase transparency by encouraging participation by citizens and the private sector. Therefore, it is necessary to promote administrative reform aimed at improving administrative institutions and systems; to enhance the capacity of administrative agencies; to advance decentralization aimed at formulating development plans close to citizens, the beneficiaries of public services, and providing efficient public services; and to prevent fraud and corruption.

Support for the improvement of public administration can be broadly divided into two areas. The first concerns support for overall administrative functionality and the second concerns support for particular sectors such as health and education. When providing support, it is important to define whether targeted challenges require initiatives of the government as a whole, including local government, or that can be limited to a specific sector. Thereafter, it is necessary to decide on the institutions to support, either presiding ministries in specific sectors (ministries of health and education, for example), or the ministry of general affairs, ministry of local affairs and local government.

### JICA Activities

Over the years, JICA has provided assistance in numerous areas for strengthening public administration. This includes strengthening the capacity of civil servants in the formulation and management (e.g., monitoring and evaluation) of development projects aimed at strengthening administrative functions. JICA also supports efforts aimed at decentralization and enhancing the capabilities of local administrative officials so that local governments can provide services that satisfy the needs of local residents. Elsewhere, JICA supports the development of statistics, such as population and economic censuses, which are indispensable to the formulation of a country's development plan, and helps police and fire brigades ensure people's safety [ → See Case Studies on pages 59, 89].

In recent years, there have been growing calls for measures to combat misconduct and corruption due to a lack of good governance.

From the perspective of strengthening administrative functions, JICA provides assistance bearing in mind: the delivery of better public services to community residents and organizations; extending support from a mid- to long-term perspective while strengthening the ownership of the partner country; enhancing the capabilities needed for the institutions developed to function; and urging



Cambodia's first nationally conducted office registry development study (Improving Official Statistics in Cambodia)

## Strengthening Local Governance by the Interim Self-Government

Since 2005, JICA has supported institutional reforms of the central government and service improvements of local governments with a view to improving the Palestinian local governance system. Public services are largely administered by an interim self-government. In this context, the pilot project and other activities which had visible effects served as an opportunity for the government, local government entities and residents to together verify the modality of local governance, and became one of the precursory examples that attempted to promote community development with the participation of the residents.

### Supporting Expansion of Local Governments

In Palestine, many small-scale local governments were established following the launch of the interim self-government in 1994. However, most lacked financial resources, human resources and capability, and were unable to provide appropriate public services to residents. Therefore, to efficiently implement administrative services, JICA has promoted the clustering of small-scale local governments and delivering services in a collective manner.

In this project, the local governmental units in the Jordan Valley region serves as a model for this initiative and were clustered into four groups. With the assistance of JICA's expert team, resident representatives and local government staff collaborated to plan, implement and manage pilot projects based on resident needs assessments.

By 2010, 15 pilot projects were implemented. For example, a kindergarten was established in response to the community's request. Through active exchanges with neighboring kindergartens, this project increased awareness of the importance of preschool education. In another example, a project enhanced the management skills of a women's center and revived joint activities among participating villages. The pilot projects have strengthened the relations between residents and local governments and have yielded outcomes that are directly linked to peoples' livelihoods.

### Development of Financial System and Human Resources

For the central government, JICA has supported the establishment of the local financial policy aimed at fiscal decentralization and the strategy for regional local governments that sets out the modality of a broader-based local government. The lessons learned from the planning and management of pilot projects are outlined in the strategy. It has been agreed that the Palestinian Ministry of Local Government will implement this policy and strategy. To this end, JICA is considering the provision of support for their implementation.

Children full of energy at a kindergarten constructed with the pilot project. Ms. Najad Irmeileih, front row far left, is the kindergarten manager.

In addition to the government's institutional initiatives, training the staff who will be responsible for their implementation is also critical. JICA has supported the establishment of a training center for the local government staff in Jericho, and has provided training on local governance since 2007. Over 2,600 people, far more than the initial target of 1,000 people, received various trainings and are demonstrating the training outcomes at their workplaces.

### Hope about Continued Residence

The project's biggest outcome was that stakeholders were able to see that peoples' livelihoods have improved under local governments with limited authority, which has raised the motivation to promote further improvements. In areas where development assistance did not reach before, public facilities were constructed with numerous coordination of government authorities. People residing in areas whose access to public services is restricted were able to experience local services and community involvement through this project. This has great significance.

Many comments were received from stakeholders, including "The project has brought local governments and residents closer together" and "The project has given me hope

about continuing to live here where living is a struggle."

#### From Our Counterpart

#### Fawaz Rabaia, Ministry of Local Government Project Counterpart

This is an outstanding project that left clear footprints at both the level of central and local governments. It had significant impact not only on Palestine but also other donors, and we continue to receive inquiries from all dimensions. It was an honor to be a part of this project.



Mr. Rabaia during Ex-post evaluation (center)

#### From the Grassroots

#### Najad Irmeileih Manager, Construction of Kindergarten in Al-Foqa Pilot Project

There are many people who must engage in agriculture together as a couple. Therefore, this social service is very helpful for working parents and for people seeking the early education of their children.



the efforts of relevant ministries, agencies and organizations at multiple levels.

## Fiscal and Financial Sector

### Overview of Issue

Sound fiscal management and financial systems are vital to a country's sustainable economic development. If these systems collapse, the impact on people's assets and livelihood as well as on economic activities in the private sector would be devastating. The breakdown of the system may lead to a decline in the provision of government services and in financial intermediary functions, and inflation.

In addition, all kind of support assistance for developing countries proves to be more effective with sound fiscal and financial systems and economic stability as its underpinning. However, foundations of the economy in many developing countries are fragile and economic management unstable. JICA's assistance in this area aims at strengthening the fiscal and financial structure of these developing countries.

### JICA Activities

Preventing economic and financial crises is a key element for developing countries in reinforcing fiscal and financial structures. Many ASEAN countries suffered from the loss of their assets and employment in the Asian financial crisis that hit in 1997, causing enormous economic loss. Vulnerability in ASEAN countries' financial systems was cited as one of the main factors behind the crisis. The global financial and economic crises of 2008 also reconfirmed the need to bolster financial systems.

The other important issue in this area is public financial management for improving the skills for managing the overall national budget. In view of utilizing limited funds effectively and efficiently, the following initiatives are keys: 1) proper management of fiscal balance based on a given budget; 2) allocation of budgets to priority areas of development; and 3) efficient implementation of plans which have budget allocations.

In light of this, JICA has provided such support as the following.

#### 1. Reinforcement of Fiscal Systems

It is important to expand the tax base and increase tax revenues in order to realize policies in developing countries. For that reason, JICA's initiatives strive to strengthen the administrative capacity of collecting agencies of national tax and tariffs. Specifically, JICA supports efforts to enhance the ability to formulate policies of central government and governmental agencies, including Ministry of Finance, in partner countries. JICA also promotes capacity development of tax administration agencies to ensure appropriate tax collection based on laws as well as suitable management and utilization of tax revenues [ → See the Case Study on page 91].

In addition, JICA provides assistance to supreme audit institutions and other inspection agencies to strengthen their functions since improving the ability to identify whether a country's finances are being appropriately managed or not is vital



At the Malaba Border Post between Kenya and Uganda, customs officials of both countries are to the right and provide one-stop service for export and import procedures (The Project on Capacity Building for the Customs Administrations of the Eastern African Region).

to the efficient allocation of capital.

#### 2. Reinforcement of Financial Systems

JICA provides support with regard to boosting capacity in financial supervision, enhancing financial intermediary functions, cultivating capital markets and improving small business finance. Stability in financial systems and efficient management of these systems underpins the foundations for a country's stable economic policies; therefore, JICA supports development of capacity of central banks and development banks.

#### 3. Development of a Macroeconomic Management Infrastructure

JICA provides support for the development of economic laws such as competition law, the formulation of macroeconomic models and the improvement of economic statistics including industry-related tables.

Since there are a number of donors with a proven track record in general budget support\* in the fiscal and financial sector, it is important to harmonize with their support and promote collaboration between financial support and technical assistance. Raising the profile of Japanese assistance while taking limited cooperation resources into account is a future challenge in the fiscal and financial sector.

\* General budget support: A method of assistance in which funds are injected directly into the general account of the recipient country in accordance with an agreed-upon strategy between the developing country and donor countries/institutions aimed at driving development at the national level.



## For the Effective Allocation of the National Budget

The efficient achievement of policy goals requires transparent budget use and strategic allocation of resources, for which enhanced and appropriate fiscal management skills are necessary. Through the introduction of PBB, etc. promoted by the Indonesian government, JICA has supported initiatives for the efficient establishment of development plans and formulation and management of budgets since 2010.



National meeting participated by local governments for establishing the 2012 budget, hosted by BAPPENAS

### Enhancing Fiscal and Budget Management Skills

Indonesia has taken a number of initiatives for efficiently establishing development plans and formulating and managing budget plans. They include the establishment of government ordinances, such as the Law on State Finance (2003) and the Law on National Development Planning System (2004), and the introduction of concepts, such as the Medium Term

Expenditure Framework (MTEF), Performance-Based Budgeting (PBB), and budget unification.

The National Medium-term Development Plan 2010-2014 partially established an overall budget framework and performance indicators, while PBB was not conducted. The Japanese government was requested to provide Technical Cooperation for capacity development related to the introduction and implementation of PBB.



At the national meeting group discussions, staff of the Ministry of Finance, the project's counterpart agency, had a coordinating role and demonstrated the knowledge and know-how they acquired through the project.

### Through OJT in Budget Formulation

Since 2010, JICA dispatched an expert team to assess: 1) the Indonesian government's budget formulation mechanisms; 2) status of performance evaluations and PBB; and 3) the capacity development needs of relevant staff. It then compiled a set of recommendations as well as implemented seminars in Indonesia and trainings in Japan.

At present, JICA is carrying out activities to organize and improve assessment methods and performance evaluations for introducing effective PBB. Moving forward, JICA plans to pilot PBB in Indonesia's actual budget formulation work through on-the-job training (OJT).

Incidentally, the Development Policy Loan that JICA provides jointly with the World Bank and ADB also identifies as its policy goal for improving fiscal management "the introduction and implementation of PBB." Assistance is strategically provided in coordination with other donors.

#### From Government Officials of Recipient Country

**Syafril Basir**

**Director of Allocation of Development Funding  
National Development Planning Agency (BAPPENAS)**

Indonesia is in the process of introducing PBB and medium-term fiscal frameworks for improving the quality of the budgets. JICA's project has been very helpful for raising the skills of us, the members of the BAPPENAS and Ministry of Finance team engaged in budgeting and planning reform. I hope to draw on Japan's experience and initiatives which I learned at the seminars and trainings for developing Indonesia's implementation plans and performance evaluations.