

Public Policy

The State's Foundation to Drive Healthy Social Development and Sustainable Economic Growth, Thereby Improving Fundamental Institutions and Providing Public Services Based on People's Needs

The state's governance means the mechanisms, institutions and operations used by a government effectively to mobilize, allocate and manage the country's resources in a way that reflects the intentions of its citizens. Many developing countries are faced with weak institutions and foundations including legal and judicial systems, administrative organs and fiscal management. There is also a shortage of personnel to run these national mechanisms properly. Inadequate social infrastructure can be a hindrance to a country's development and may significantly undermine the efficacy of development assistance.

JICA helps to strengthen governance in developing countries through cooperation for developing legal and judicial systems, 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. Recognition of the importance of good governance and a strong sense of ownership of developing countries are indispensable elements in ensuring effective cooperation. JICA places emphasis on the notion of capacity development (CD) as a means to support intrinsic developmental processes at individual, organizational and societal levels.

This section introduces overviews of the development issues related to legal and judicial systems, administrative functions and fiscal and financial systems, as well as the initiatives undertaken by JICA.

Governance

Support for Strengthening Systems That Takes Root in Partner Countries

Working Together through Dialogues and Cooperation

Supporting the Development of Legal and Judicial Systems

Overview of Issue

The goal of JICA's governance assistance is to enable developing countries to become capable of investing, allocating and managing their resources efficiently and in ways that reflect the will of the people for their social stability and economic development. The notion of governance is not limited to something related to government or public administration, but includes both processes and mechanisms that guide and regulate state-society relations, taking a historic view on the entire system or the outcome of the institutional setting that runs society.

Establishing the "rule of law," namely the assurance of the legitimacy of established rules, the construction 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 problems may be unreasonable and unpredictable, which could add to the cost of transactions and hinder economic activity.

Developing a legal system also helps prevent corruption through

improving transparency and accountability of administrative execution and by increasing clarity in 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 structures, but 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,

Case Study

Nurturing Legal Professionals to Apply and Implement the Civil Code and a Code of Civil Procedure

Cambodia: The Project for the Improvement of the Training on Civil Matters at the Royal School for Judges and Prosecutors of the Royal Academy for Judicial Professions (Phase 2)

Cambodia, which suffered from civil war for 20 years from the 1970s, positioned reform of legal and judicial systems as one of the top priorities. Disintegration of the legal system due to the war and significant decline in the number of intellectuals, including legal professionals, however, made it difficult for the country to develop in this regard under its own steam.

JICA has supported the efforts of the Cambodian government since the launch of the Legal and Judicial Development Project in 1999. The project was implemented with full cooperation from dedicated Japanese law scholars and practitioners from related institutions in Japan, especially the Ministry of Justice. A joint Japanese-Cambodian working group was formed to draft the civil code and a code of civil procedure, and provide support in enacting bills. JICA has also supported the nurturing of legal professionals to appropriately implement these Codes since 2005.

Contribution to Improvement of Training on Civil Matters at the Royal School for Judges and Prosecutors of the Royal Academy for Judicial Professions

Cambodia promulgated a new constitution in 1993. However, since Pol Pot's regime, no fundamental civil laws to systematically govern civic life had existed except for laws in certain areas, such as Laws on Marriage and Family, Law Referring to Contract and Other Liabilities (Decree no.38) and Land Law. Therefore, some of the concepts used in the Civil Code and Code of Civil Procedure that were drafted with support from Japan were unfamiliar to legal professionals and officers of the Ministry of Justice. In order for the Civil Code and Code

of Civil Procedure to be adequately applied and implemented, it was necessary to foster legal professionals who sufficiently understood these codes.

In response to a request by the Cambodian government, JICA launched The Project for the Improvement of the Training on Civil Matters at the Royal School for Judges and Prosecutors of the Royal Academy for Judicial Professions from November 2005 to March 2008. Prior to that, the Cambodian government decided to establish the Royal School for Judges and Prosecutors in 2002. JICA supported the school in establishing the basis for education of civil affairs with support in formulating and revising curriculum and teaching materials, and improving the skills of trainers. Phase 2 of the project commenced in April 2008 and is scheduled to run until March 2012. To tackle the problem in terms of a shortage of qualified legal professionals, JICA helped create a system enabling the Royal School for Judges and Prosecutors to provide education on civil affairs under its own steam.

Support for Nurturing Prospective Trainers

Since opening the Royal School for Judges and Prosecutors (RSJP), JICA has helped nurture new judges and prosecutors in the civil affairs field and supported the continuing legal education of current judges and prosecutors. The total number of graduates from the school is expected to reach more than 230 people in fiscal 2010. Close to 70% of all judges and prosecutors in Cambodia will be graduates of the school in 2012, as the support of Japan in the area of civil affairs education helps to produce an increasing number of qualified legal professionals.

Efforts are being made to nurture

prospective trainers as part of the project. Seven judges are selected from the RSJP graduates every year as prospective trainers. They take part in a prospective trainer working group each Friday run by Japanese experts that boosts their understanding of the Civil Code and Code of Civil Procedure through activities for producing teaching materials. In addition, a mock trial is held once a year at the school where the Japanese experts and the supporting institutions in Japan offer guidance and support. These activities are an effective training method for prospective trainers and RSJP students.

Prospective trainers successfully enhance their knowledge and experience through various means such as lecturers by Japanese legal scholars and/or practitioners, as short-term experts and via a JICA-Net video-conferencing system, training/observation in Japan, and day-to-day consultation with Japanese long-term experts stationed in Cambodia.

A total of 21 judges (graduates of RSJP) have been trained as prospective trainers. Another seven will join the pool of prospective trainers in fiscal 2010, as the fourth prospective trainers. The first prospective trainers have been playing an important role in RSJP course curriculum on civil affairs as assistant trainers since fiscal 2008. On the Japan side, the advisory group, comprised of law scholars and experienced practitioners, has been set up to support the project. Through the advisory group, knowledge related to nurturing legal professionals in Japan is used to maximum effect.



Mock trial held in Phnom Penh (December 2008)



Training in Osaka, Japan (October 2009)

mainly in countries shifting to a market economy and those undergoing the reconstruction process. JICA's support rests 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 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 to 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 to Cambodia,

Laos, Uzbekistan, Indonesia, China and Mongolia. More recently, JICA has responded to assistance needs in states in a reconstruction phase, such as Nepal and Timor-Leste.

In fiscal 2009, JICA has supported Nepal's government in its efforts to draft a Civil Code to modernize existing rules, harmonize them with international standards and reflect the spirit of the new constitution in Nepal, which has been in the process of formulating a constitution and developing basic laws to build a new democratic system following the end of civil war. In the near future, needs from countries undergoing reconstruction are expected to increase.

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

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 a citizen's 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, it is difficult to effectively provide various administrative services to its citizens due to a lack of targeting and focus in the service sector and a weak tax revenue structure, on top of a limited number of administrative officials. There is also 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 leads to social injustice and corruption.

In order to tackle the above challenges in developing countries, it is necessary to (1) boost administrative quality and efficiency, (2) increase financial and human resources to ensure their optimal allocation, and (3) increase transparency by encouraging participation by citizens and the private sector. Therefore, it is necessary to promote administrative reform aimed at improving organization and its systems; to enhance the capacity of administrative agencies; to advance decentralization aimed at ensuring local participation and increasing efficiency by formulating development plans close

to citizens, the beneficiaries of administrative services; and to stop social injustice by preventing misconduct 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 individual fields such as health and education. When providing support, it is important to define whether targeted challenges require initiatives that cover the entire government, including local government, or that can be limited to individual fields. In addition, 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 aimed at strengthening public administration. This includes formulating and managing (monitoring, evaluation) development projects and plans in developing countries, and strengthening administrative foundations to bolster the capacity of civil servants. 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



Case Study

Leveraging Japan's Experience in Support of Administrative Reform

Tanzania: Local Government Reform Program

Tanzania introduced a Local Government Reform Program in 2000 aimed at decentralization by devolution through transferring responsibilities and functions from the central government to the local governments as well as the personnel management authorities, coupled with fiscal decentralization. This reform has achieved remarkable progress during these 10 years with strong support from Western donor countries and international organizations. However, Tanzania, just like other African countries, has only a few decades of history after independence from prolonged colonial rule, and is still struggling towards nation building. Under these circumstances, it is not easy to deal with the same kind of reforms as the ones carried out in industrialized countries, and in reality, the country has been facing many complicated challenges in the reform process.

In this context, JICA has been implementing the Support to the Local Government Reform Program in Tanzania scheme, in considering that some of the experiences of Japan could be relevant and useful for Tanzania to overcome these challenges.

Five Elements Enabling Regional Autonomy in Japan Japan has a unique experience of having started its nation building and socioeconomic development as a tiny backward Asian country outside of Western civilization, and tried to develop by assimilating European models through a long process of "trial and error" to eventually come up with its own model apt to the country's particular situation and background.

Japan had taken a unique decentralization process developing an intertwined and rather collaborative relationship between the central and the local governments based on the principle that it is important to seek maximum mobilization of the limited resources of the country by combining the efforts of the central and the local governments towards the country's development instead of promoting too radical and rapid restructuring. JICA believes that Japan's experience can be shared with developing countries like Tanzania.

The program is composed of the following four projects: (1) Country Focused Training Program "Support to the Local Government Reform Program in Tanzania" inviting the leaders of the reform for their awareness building (Osaka Training); (2) Project



Training people to become local government facilitators

for Capacity Development for Local Government Authorities; (3) Project for Strengthening Participatory Planning and Community Planning Cycle for Good Local Governance in Tanzania; (4) Budget Support for Common Basket Funds under the Local Government Reform Program of Tanzania; and (5) Dispatch of Policy Advisors to the Prime Minister's Office Regional Administration and Local Government.

The training program listed in (1) above was carried out over an eight-year period and gave the local government leaders an "eye-opening" experience to reconsider requirements to their own nation building in light of the current state of affairs. These leaders decided to establish their own association named "Tanzania Osaka Alumni" to continue sharing experiences and analyze problem areas together.

Project (2) is trying to develop an effective framework of training for local government employees since JICA considers that the capacity development of the local governments is an indispensable part of reform in order to ensure that decentralization leads to actual improvement of the delivery of services to the local people.

Project (3) was designed with the idea that decentralization will not make sense nor function if the local people do not participate in a real sense in the decision making and the development process of their own local society as the main actor, which is the basis of "local autonomy" to fully enjoy the devolved power. On the other hand, it is a reality of almost all developing countries, including Tanzania, that the local government suffers from an acute shortage of staff to satisfy the diversified needs of the communities scattered over a huge area. JICA cannot expect the government alone to be able to provide local people with all the required services.

Under these circumstances, the project is trying to establish an effective model where trained facilitators at the district level accompany and facilitate the self-reliant efforts among local citizens and serve as a link between the communities and the local governments to combine the efforts of the two sides together towards development of their local society. This idea is similar to the system of *Seikatsu Kaizen Fukuyuin* (Livelihood Improvement Extension Workers) employed in postwar Japan.

It is intended to develop the model based on the already existing participatory community development planning process of the country known



Junior high school built with local grants

as Opportunity and Obstacles to Development (O&OD) that has been promoted vigorously as a core policy of the government. The project also makes use of JICA's experience of cooperation in Indonesia and other countries.

Connection with Local Government Reform Program as a Key National Policy

The above-mentioned Japanese program is implemented under the country's national program entitled the Local Government Reform Program (LGRP). LGRP is executed with a so-called "common basket fund" arrangement where the government and the donor countries/institutions provide funds together as part of aid coordination. The Japanese government has also provided funds for the above in the form of (4) above. Projects (2) and (3) also try to mainstream their activities into LGRP so as to ensure future sustainability.

The policy advisor as stated in (5) above is assigned to coordinate all the activities described above and make sure there is a good alignment between them and LGRP.

JICA supports the creation of foundations to ensure that decentralization leads to an improvement in the delivery of services to people by organically linking these five elements to maximize synergies.

A Grassroots View

Hellen Macha, Project Coordinator, Capacity Development for Local Government Training Capacity development for local government is a priority issue. This project is extremely ambitious and there are high expectations that it will produce many changes in local government staff. With JICA's help, we have been able to achieve numerous objectives. We are grateful for the assistance and are working toward completion of the project.



A Grassroots View

Pamela Edward I underwent training to be a local facilitator in Kisarawe District. This has given me a deeper appreciation of resources, structure and guidelines. The experience-based learning helped me grasp a real-life image of local society as well as the strength that comes from solidarity within a community. I believe the day we can stop relying on external resources and realize that we have the capacity to act under our own steam is not far off.



in the formulation of a country's development plans, and helps police and fire brigades ensure people's safety.

In recent years, there have been growing calls for measures to combat misconduct and corruption since it is difficult to provide effective support to developing countries without good governance. For example, JICA provided training aimed in particular at ensuring transparency in public procurement in China in fiscal 2009. This was part of a training project started in fiscal 2008 to enhance monitoring and prevent corruption in administration and management. Fifteen administrative officials from the Ministry of Supervision, Ministry of Science and Technology, and local governments in China were invited to discuss and observe tendering

and contract systems in public works projects at central and local government levels in Japan, as well as whistle-blower systems and Japan's legal systems and structures to prevent corruption. There were many elements of the Japanese systems that trainees could apply to China in accordance with that country's circumstances. The training confirmed the importance of incorporating the lessons learned in specific areas of responsibility and developing legislation to ensure fairer procurement. In the final year, trainees deepen their understanding of the Japanese legal system and how to implement the system in China as well as its operating status.

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, as the failure of the system may lead to a decline in the provision of governmental 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. Efficiently allocating budgets to priority areas of development is key to the efficient utilization of limited funds. 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 aims 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 the 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.

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

Case Study

Supporting Consumer Affairs on the Rise Along with Economic Growth

Viet Nam: Project for Strengthening Capacity of Consumer Protection Administration

Cases of fraudulent trading and misleading representation have skyrocketed along with rapid growth in the market economy in Viet Nam. In collaboration with the Consumer Affairs Agency, the Ministry of Economy, Trade and Industry and academics, JICA provides support for the first time in the field of consumer affairs.

Enhancement of Consumer Protection Administration

The number of consumer issues has ballooned in recent years along with rapid growth in the market economy in Viet Nam. These include problems associated with competition policy such as fraudulent trading and abuse of a market-dominant position, as well as issues directly impacting consumer health and assets such as misleading information on product quality and price. As with Japan in the past, there are still scant steps being taken to protect the rights of consumers among the government, companies and consumers in Viet Nam. Governmental measures regarding consumer affairs are insufficient from both a legal standpoint and policy enforcement.

This has prompted an urgent need to develop human resources that can appropriately enforce consumer protection policies. The Vietnamese government has therefore asked the Japanese government for support in three key areas: (1) advice on laws on the protection of consumers' interests being developed on their own accord; (2) assistance with the establishment and reinforcement of consumer protection administrations; and (3) assistance for raising awareness of consumer protection.

Consumer affairs are wide-ranging and constantly changing. In Japan, a variety of institutions have been grappling with the issues, such as the Consumer Affairs Agency inaugurated in September 2009. With this project, JICA has started providing assistance in the field with the cooperation of this agency as well as the Ministry of Economy, Trade and Industry, other related institutions, local government and academics in consumer affairs.

The project aims to promote understanding of consumer policies and consumer protection law in Viet Nam among government-related institutions and the public, and create

foundations for a policy enforcement structure by enhancing capabilities related to consumer protection administration at government and administrative agencies.

A Grassroots View

Bach Văn Mừng, Director, Vietnam Competition Authority

I went to Japan for training and visited various institutions related to consumer policy. I saw that Japan's consumer protection laws and the systems at enforcement organizations are firmly established. I realized that pertinent ministries, agencies, institutions and groups work together to implement initiatives from the standpoint of the consumer. I also learned the importance of providing information to the public and raising people's awareness through education and advertising. After returning to Viet Nam, I hope to contribute to the development of consumer protection laws and enforcement systems, which are currently being formulated.



Observation and study of product testing



Trainees receive an explanation on product accidents