

## IN THIS ISSUE:

### Hot Issue

#### Working Paper Close-up: Exploring the Reasons behind the Effective Management of a Bangladeshi Governmental Department

A newly released working paper by Senior Research Fellow Yasuo Fujita casts light on the effectiveness of the Local Government Engineering Department (LGED) and complementary roles of donor assistance to its capacity development.

[READ MORE](#)



LGED handles rural infrastructure projects such as a boat landing facility like this. *Photo: LGED*

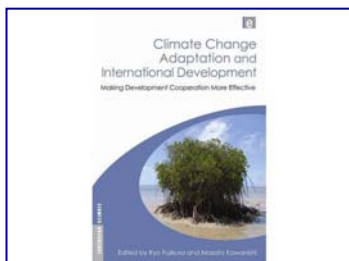


### Review

#### JICA-RI's Research Using GIS Database in the Philippines

GIS is receiving an attention as a useful tool in improvement of aid effectiveness, enabling various cost estimations and precise data analyses.

[READ MORE](#)



### Special

#### An Open Symposium on Climate Change Adaptation Measures and International Cooperation to be Held at JICA-RI

JICA-RI invites all to join the discussion on adaptation measures against climate change at a public event scheduled on February 1. [READ MORE](#)



### Review

#### Examining the Restructuring Process in Thailand after the Financial Crises

JICA-RI is conducting a project to draw implications for sustained economic development in the region by analyzing its recovery process called "the 2nd East Asia Miracle," from the 1997 and 2008 financial crises. Research Fellow Yasunobu Okabe's report from Thailand. [READ MORE](#)



### Special

#### Policy Proposals on Measures on Climate Change Adaptation and Fragile States Support

Lately, JICA-RI has released two policy briefs on climate change adaptation measures and fragile states support as well as two working papers on the East Asia's regional integration and capacity development. [READ MORE](#)

## Working Paper Close-up: Exploring the Reasons behind the Effective Management of a Bangladeshi Governmental Department

During his two years of assignment in Bangladesh, [Yasuo Fujita](#) frequently worked with Bangladesh's Local Government Engineering Department (LGED), and was always impressed by their effectiveness. He wasn't alone: its exceptional characteristic is widely recognized in the country, and is a rarity in the Bangladesh public sector generally considered inefficient with slow bureaucratic practices. Afterward, Fujita joined JICA-RI as Senior Research Fellow and began to analyze reasons for LGED's excellent performance. "Past studies have been done on other good practices in Bangladesh such as Grameen Bank, but not on LGED," Fujita says. This month his analyses have been published as a working paper titled: "[What Makes the Bangladesh Local Government Engineering Department \(LGED\) So Effective? : Complementarity between LGED Capacity and Donor Capacity Development Support.](#)"

As an arm of the Ministry of Local Government, Rural Development and Cooperatives at the Government of Bangladesh, LGED plans and implements rural and urban infrastructure development programs, including building small scale water resources infrastructures and providing technical support to local governmental institutions.

The Department, consisting of over 10,000 staff, manages one of the largest distributions (14%) of the country's development budget including donor aid. As it works closely with the poor population, its operations directly impact their lives in this flood-prone nation.

For improving public organizational performance, the new public management (NPM) theory recommended drastic organizational reforms such as transformation to agency and merit-based personnel management. Yet, Fujita explains, "LGED has achieved this level of effectiveness without fully adopting these measures. In spite of rigid rules of the Bangladeshi Government, they've been ingenious in making continuous

efforts to streamline their operations. I find that most remarkable."

According to his paper, some credit for the current success goes to the founding chief executive Quamrul Islam Siddique. The charismatic executive and his close associates, who disapproved the malfunctioning bureaucracy, valued qualities including team work, strong work ethics, fast decision-making, and internal coordination mechanisms. These have been inherited to this day. Additionally, the steady leadership succession and management practices have worked positively to build and maintain the organizational culture.

Decentralized management and types of operations suitable for it have also contributed. At LGED, while only about 150 people serve at the headquarters, almost 99% of the total manpower is stationed at local district and sub-district (*Upazila*) offices. Since small-scale infrastructure projects are mostly handled in rural areas, decentralized tasks and decision-making power boost the speed and productiveness of the work. This is made possible because most of the operations are simple and can be standardized, enabling them to be dealt with at the



Rural road being constructed by LGED  
Photo: LGED

bottom of the work flow.

Even a successful organization like LGED isn't flawless. That is where donor organizations have complemented. The Japanese Government, the Swedish Government, the World Bank and the Asian Development Bank have provided support in areas such as organizational strategy, financial management and quality control. Consequently, LGED has been transforming into a better organization with more balanced organizational management system.

Fujita concludes that this achievement of LGED is "the fruit of a synergy" with donor assistance, and a case of a successful capacity development. He adds, "I believe these analyses will be useful for enhancing LGED's effectiveness and improving the Bangladeshi public sector performance."

[READ MORE](#)

# JICA-RI's Research Using GIS Database in the Philippines



Photo: Kenshiro Imamura/JICA

To build the geographic information system (GIS) database of the Philippines with a focus on the targeted regions of his [research project](#), JICA-RI Research Fellow [Suguru Miyazaki](#) visited several governmental agencies in Manila, which use GIS data for their operations, from December 2 to 8, 2010. With this visit as a starter, JICA-RI is planning to continue gathering various data including topography, infrastructures, and location of enterprises and homesteads.

Up until now, JICA has engaged in many ODA projects there such as map-making support and technology transfer for building a GIS database foundation.

“GIS can help us obtain more useful information and data compared with those from paper-based maps since more various and specific geographic conditions can be included and managed for a simulation of distance and travel cost. Furthermore, it can be used for analyzing transportation control costs associated with the quality of road surface which then can be interpreted as traveling speed,” explains Miyazaki. “In our ongoing research project, we will utilize this new system and analyze costs to examine the impact of road construction and improvement for residents who use those roads daily, as GIS simulation results are more accurate compared with those by conventional methods,” he adds.

“Those findings from the research would provide useful referential information for decision-making such as on optional road route selection for poverty reduction. I hope they will eventually contribute to future implementations of development assistant

projects,” says Miyazaki.

As a new instrument for raising aid effectiveness and research quality, GIS is drawing more attention and expectations from JICA as well as other organizations in development assistance.

## Special

### An Open Symposium on Climate Change Adaptation Measures and International Cooperation to be Held at JICA-RI

In November 2010, JICA-RI published a book titled *“Climate Change Adaptation and International Development,”* a compilation of case studies on climate change adaptation in a variety of countries and regions written by leading experts in the world. To share the findings of the book, and to discuss the latest international efforts on adaptation measures, JICA-RI will hold [an open symposium](#) “Climate Change Adaptation and International Development: Prospects of International Cooperation Against Climate Change” on February 1.

The symposium, to take place at JICA-RI's International Conference Hall, will be divided into two sessions: 1) Adaptation Measure Case Studies in Developing Countries, and 2) Climate Change Policies and International Cooperation. Four speakers will make a presentation, including authors of the above book, Shoji Kusunoki of Japan's Meteorological Research Institute, and Takashi Takama of JICA, preceded by the introduction of the book by the co-editor [Ryo Fujikura](#) from Hosei University in Tokyo and JICA-RI.



# Examining the Restructuring Process in Thailand after the Financial Crises

*JICA-RI Research Fellow Okabe's report from Thailand:*

Financial restructuring played some role in the recovery of the Thai economy. In the aim of resurrecting its financial health, the Thai government implemented various measures since 1997. They include closure of 56 financial firms; request to commercial banks for disposing bad loans and increasing capital bases; acceleration of nonperforming-loans (NPLs) disposal by establishing the public company, Thai Asset Management Company (TAMC); and nationalization of small to medium-sized banks and their merger with foreign banks. These interventions worked positively, decreasing the nonperforming loan ratio to 5.7 % in 2008 from over 40% immediately after the crisis, while the capital adequacy ratio recovered to 13.8%. As banks gained strength, the volume of loans grew, which consequently eased the burden on debtor companies.

Yet Okabe regards that financial restructuring played a limited role there in comparison with the case of Korea, another crisis-stricken country. "In Thailand, the restructuring advanced more gradually than in Korea. Korea adopted a government-led approach including disposition of NPLs and enhancement of equity bases. Whereas, the Thai government basically let the private banks come up with the measures from themselves, a private-sector-driven approach in a way. This determined the speed of recovery," he indicates. Lagged efforts by the Thai government (TAMC was established in 2001, four years after the crisis) caused the delay of the financial restructuring, compared to the case in Korea. Under these circumstances, Thai commercial banks naturally remained cautious and reluctant to loan money.

The volume of bank lending has begun to rise since 2000. However, that of deposit now surpasses the loan volume. In particular, the lending ratio to manufacturers has gradually decreased and it dropped to about 20% in 2009. Contrastingly, the lending to personal consumption

has increased to over 20%.

"After the crisis, the driving force of the Thai economy was still manufacturing industry. Nevertheless, commercial banks played only a modest role for it," explains Okabe. "This shows one aspect of the recovery process in Thailand. Yet, by focusing on individual facts, I hope to precisely comprehend such various recovery processes from the financial crises that Thailand has gone through, and also to examine the political and economic conditions behind them," he adds.

[READ MORE](#)

## Special

### Policy Proposals on Climate Change Adaptation and Fragile States Support

Based on the lessons derived from the "Climate Change" and "Prevention of Violent Conflicts and State-building" projects, two [policy briefs](#) (PBs) were compiled. On the adaptation measures, PB [No.3](#) points out the importance of data collection necessary for climate model analysis, development of engineers, and the need of 'translators' who can explain such information to stakeholders. For "the support to fragile states," PB [No.4](#) emphasizes the significance on enhancing the concerned parties' efforts instead of the third parties' impositions in assistance approach.

Also JICA-RI has published two [working papers](#) (WPs) on "Cross-Border Higher Education for Regional Integration in East Asia"(WP [No.26](#)) and "Effectiveness in the Bangladesh Local Government Engineering Department (LGED)"(WP [No.27](#)). For the former, the survey was taken at 300 leading universities in East Asia in relation to [the project](#) as it explores the direction of regional cooperation and integration based on the findings. The LGED study is part of the project on "[Capacity Development \(CD\) Approach](#)." (Please read the 'Hot Issue' for more.)