

JICA'S APPROACH TO GOOD GOVERNANCE AND ANTI-CORRUPTION

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This paper explains, firstly, JICA's role as the Japanese ODA implementing agency, then, secondly discusses our approach towards establishing good governance and promoting anti-corruption in our partner countries. Lastly, concrete project cases concerning anti-corruption are introduced.

A. JICA's Role

JICA assists and supports developing countries as the executing agency of Japanese ODA. In accordance with its vision of "Inclusive and Dynamic Development," JICA supports the resolution of issues of developing countries by using the most suitable tools of various assistance methods and a combined regional-, country-, and issue-oriented approach.

1. JICA's Vision, Mission and Strategy

There are many issues in the world that must be addressed not by individual countries but by the international community. In dealing with such issues, together with its Vision, JICA has defined four Missions to be achieved through four main Strategies. JICA's cooperative operations are implemented under this Vision and Mission.

(i) *JICA's Vision*

Inclusive and Dynamic Development

(ii) *JICA's Mission*

- (a) Addressing Global Agenda: includes climate change, water, food, energy, infectious diseases and financing.
- (b) Reducing Poverty through Equitable Growth: pursues sustained poverty reduction through inclusive and equitable growth
- (c) Improving Governance: strengthens policies, institutions, organizations and human resources as the underpinning of development.

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- (d) Achieving Human Security: protects people from threats and building societies where they can live with dignity.

(iii) JICA's Strategies

- (a) Integrated Assistance: combines policy support, institution building, human capacity development, infrastructure development, etc. This also includes cross-border and cross-sector assistance.
- (b) Seamless Assistance: means speedy and continuous aid delivery from emergency relief to rehabilitation/reconstruction and peace-building.
- (c) Promoting Development Partnerships: between the public and private sectors, applying technologies and know-how.
- (d) Enhancing Research and Knowledge Sharing: shares JICA's abundant field experiences through research and leading discussions.

2. ODA and JICA – JICA's Assistant Schemes

Since joining the Colombo Plan in 1954, Japan has been providing financial and technical assistance to developing countries through ODA, aiming to contribute to the peace and development of the international community and thereby help ensure Japan's own security and prosperity.

JICA is in charge of administering all ODA such as technical cooperation, ODA loans and grant aid in an integrated manner, except contributions to international organizations. JICA, the world's largest bilateral aid agency, works in over 150 countries and regions and has some 100 overseas offices worldwide.

(i) Technical Cooperation

For human resources development and formulation of administrative systems of developing countries, technical cooperation involves the dispatch of experts, provision of necessary equipment and training of personnel from developing countries in Japan and other countries. Cooperation plans can be tailored to address a broad range of issues.

(ii) ODA Loans

ODA loans support developing countries above a certain income level by providing low-interest, long-term and concessional funds (in Japanese yen) to finance their

development efforts. ODA loans are used for large-scale infrastructure and other forms of development that required substantial funds.

(iii) Grant Aid

Grant aid is the provision of funds to developing countries which have low income levels, without the obligation of repayment. Grant aid is used for improving basic infrastructure such as schools, hospitals, water-supply facilities and roads, along with obtaining health and medical care, equipment and other requirements.

In addition to the above schemes, JICA is also responsible for disaster relief and cooperation through citizen participation.

3. JICA's Operational Flow for Providing Assistance

JICA implements effective and efficient support under the Japanese government's aid policy based on an unbiased, broad perspective that extends beyond assistance schemes such as technical cooperation, ODA loans and grant aid. In particular, JICA promptly conducts project formulation and implementation by undertaking preparatory surveys to investigate the content of assistance at project sites before receiving aid requests from partner countries.

JICA also conducts evaluation of the projects using the Plan-Do-Check-Act (PDCA) cycle for each scheme of technical cooperation, ODA loans and grant aid and employs the system to further improve operations and sufficiently achieve public accountability.

B. JICA's Approach to Good Governance

1. Basic Concept of Supporting Good Governance

In year 2004, with the primary objective of proposing a framework for governance-related assistance by systematically clarifying the concept of governance and streamlining JICA's contribution to this issue, JICA developed a report named "Governance Assistance of JICA – Toward Indigenous Development of Democratic Institutions, Administrative Functions and Legal Institutions in the Developing World," where we discussed: i) the definition of governance in JICA projects; ii) components of good governance; iii) proposed basic guidelines of governance assistance in JICA's projects; iv) proposed role of JICA's assistance in improving governance; and v) major issues in JICA's governance assistance. In the report, JICA defines governance as a concept encompassing not only government institutions, but also the mechanisms and systems which determine the

relationship among government, civil society and the private sector. More specifically, we interpret governance as follows:

The development and operation of all the institutions, including government organizations and systems, the synergetic relationship among government, civil society and the private sector, and the processes of decision making, in order to mobilize, allocate and manage the resources of the country efficiently and in a manner that reflects the will of the people, with the aim of realizing the stability and development of the country.

In accordance with the above-mentioned definition of “governance”, the basic guidelines of its governance assistance can be summarized as follows: “JICA considers it important that the government of the partner country promote improvement of governance and enhancement and consolidation of democratic institutions on its own initiative. In order to facilitate the endogenous processes without forcing a certain type of institutional reform from the outside, JICA assists the government of the partner country to select, develop and operate the necessary systems and institutions by providing information and engaging in dialogue. In other words, it adopts approaches such as “the provision of policy options” or “joint thinking.”

2. JICA’s Approach towards Good Governance

The role of JICA’s assistance in improving governance in developing countries can be summarized as the following three items, depending on the condition of the partner countries, such as the level of problem awareness and actions taken:

- (i) To provide options for developing new systems and mechanisms and to stimulate changes in the awareness of government organizations and the parties concerned;
- (ii) To assist the development of new institutions and mechanisms;
- (iii) To assist the development of detailed measures and methods and the necessary organizational reform and human resource development for putting the systems and mechanisms into operation.

Although the scale of the mechanisms and systems varies, the number of projects in iii) above is the largest among JICA’s projects.

When it comes to the concrete projects implemented by JICA aimed at governance, improvement in developing countries can be categorized into three major issues

(sub-categories): i) promoting the rule of law; ii) improving the public administration function; and iii) establishing democratic systems. The following is a summary of the major issues (sub-sectors) and the characteristics of JICA's current cooperation on those issues.

(i) Promoting the Rule of Law

The focus of assistance will be to facilitate the efforts of developing countries to develop legislation, aimed at moving towards a market economy or establishing the rule of law. Assistance for development of legal institutions will include not only assistance for the drafting and enactment of bills, but also for the development of various systems of law enforcement and their application (assistance for judiciary reform), and for human resource development in the legal profession.

(ii) Improving the Public Administration Function

Its focus will be to facilitate institutional development which is harmonized with the ownership and self-reliant efforts of the partner countries and existing socio-economic conditions, with emphasis on their conducting the processes on their own. "Improvement of the efficiency and effectiveness of administrative functions," "assistance for harmonizing decentralization," and "promotion of participation and improvement in transparency" will be the three important cooperation issues.

(iii) Establishing Democratic Systems

It is based on respect for ownership of the partner countries and focused on assisting democratic advancement towards enhanced basic freedoms and protection and promotion of human rights from long-term perspectives. The major cooperation issues are assistance for elections, assistance for the legislature and assistance to the police and criminal justice sectors.

C. JICA Approach to Anti-Corruption

Responding to the increased number of requests from our partner countries concerning anti-corruption measures, JICA studied and pulled together approaches to tackle corruption-related issues in 2010. As it was introduced above, JICA has conducted a study towards good governance in 2004, which also touched upon corruption-related issues. In the report, it was explained that: "Corruption is regarded as one of the values which good governance can tackle ... For the assistance in anti-corruption related sector, development of

anti-corruption system, strengthening oversight mechanisms, and thoroughness of transparency would be major intervention.”

Based on this initial idea, JICA has studied current international trends, assistance implemented by other donors, efforts done by governments as well as the private sector, and summarized our aim to combat corruption, four pillars to tackle this issue and our approaches for each pillar.

1. Aim:

Support establishment of anti-corruption systems and implementation of the systems, as part of good governance.

As described above, the definition of JICA’s assistance in governance is “the development and operation of all the institutions, including government organizations and systems, the synergetic relationship among government, civil society and the private sector, and the processes of decision making, in order to mobilize, allocate and manage the resources of the country efficiently and in a manner that reflects the will of the people, with the aim of realizing the stability and development of the country.” Therefore, the purpose of assistance in the anti-corruption sector is to *support establishment of a system and governing structure to prevent/deter corrupted actions.*

2. Four Pillars and Its Approach to Anti-Corruption

(i) Strengthen the Rule of Law and Institutional Development for Deterring Corruption

Prevention of corrupted actions by: i) developing legal and regulatory frameworks and their enforcement systems to detect and penalize corrupted acts; ii) establishing clear administrative and judicial procedures and improve the administrations; iii) building awareness of the civil society and improve access to the law; and iv) developing the legal system and institutions to promote fair and transparent political activities.

(ii) Enhance Efficiency, Transparency, and Accountability of Public Administration

Prevention of corrupted actions by: i) improving the capacity of public financial management; ii) reducing opportunities of corruption and improve transparency in revenue administration; iii) improving the systems of public procurement; and iv) promoting civil service management reform and ethics.

(iii) Strengthen National Checks and Balances Mechanism

Prevention of corrupted actions by: i) strengthening the function and capability of supreme audit institutions (SAI); ii) strengthening parliamentary oversight; iii) improving access to information and strengthen media; and iv) creating broader public participation.

(iv) Promote Fair and Healthy Competition in the Private Sector

Prevention of corrupted actions by: i) improving regulatory governance; ii) increasing the commitment of private enterprises to anti-corruption and promote their compliance with laws and regulations; and iii) creating a business environment to reduce the vulnerability to corruption.

D. Project Cases

1. Vietnam

(i) Holistic Approach

In Vietnam, as Japan's ODA loan relates to corruption, we have a holistic approach to combat corruption. However, each intervention is rather small, as our resource is limited. Some of the intervention does not necessarily address anti-corruption. We are implementing the following projects:

- (a) Improving transparency in public procurement
- (b) Strengthening supervisory function towards public administration
- (c) Supporting implementation of Vietnam's anti-corruption strategy
- (d) Technical Assistance for the Legal and Judicial System Reform
- (e) Capacity development of National Assembly of Vietnam

2. Tanzania

(i) Capacity Development Programme for Internal Audit (Sep. 2009 – August 2012)

This project falls in “Improvement of the capacity of public financial management” in our approach towards anti-corruption. The project purpose and expected outputs are as follows:

(a) Aim

The foundation of the technical guidance of internal audit of MDAs (Ministries,

Departments and Agencies) is established.

(b) Project Outputs

- (i) Training courses for internal audit are developed in accordance with skill levels.
- (ii) A user-friendly internal audit handbook is prepared.
- (iii) CIAU's (Central Internal Audit Units) staff and selected MDA internal auditors are trained as Champions.
- (iv) Training of MDAs' internal auditors by Champions is introduced.
- (v) Monitoring of other MDA internal audits and the handbook revision process are introduced.

3. China

(i) Training Program on Anti-Corruption in the Administrative Management Field and Administrative Supervision (2009 - 2011)

This project falls in "Improvement of public procurement" in our approach towards anti-corruption. The project purpose and training components are as follows:

(a) Aim

Develop capacity of inspection officers in charge of anti-corruption.

(b) Training Program

- (i) Human Resource Management
- (ii) Public Procurement/Tender for Public Works
- (iii) Public Information Disclosure
- (iv) Whistle-blowing

4. Uzbekistan

(i) Improvement of Administrative Procedures for the Development of Private Sector Activities (Apr. 2010 – Mar. 2012)

This project falls in "Develop legal and regulatory frameworks and their enforcement systems to detect and penalize corrupted acts" in our approach towards anti-corruption. The project purpose and expected outputs are as follows:

(a) Aim

Develop institutional capacity and structures in the the Ministry of Justice for implementing appropriate administrative procedures.

(b) Project Outputs

- (i) Administrative procedures under the Law on Guarantees of the Freedom of Entrepreneurship Activities (LGFEA) are made clear to officials and entrepreneurs.
- (ii) Model Rules concerning administrative procedures and Implementation Manual of the Model Rules are prepared for enhancing appropriate administrative procedures.
- (iii) Capacity of Ministry of Justice is strengthened to monitor implementation of rules and regulations concerning provisions of administrative procedures under LGFEA.

5. Honduras

(i) Development Capacity Building in the Western Region of Republic of Honduras (Sep. 2006 - Oct. 2010)

This project falls in “Create broader public participation” in our approach toward anti-corruption. The project purpose and expected outputs are as follows:

(a) Aim

Establish an appropriate model to socialize, formulate, execute, manage, operate and properly maintain the projects of consolidation of social infrastructure in the Higuito Inter-Municipal Council and member municipalities.

(b) Project Outputs

- (i) Improve formulation process of Municipal Development Plan and social infrastructure projects;
- (ii) Strengthen capacity of the functionaries of the Higuito Inter-Municipal Council and member municipalities, and of the communities;
- (iii) Diffuse the model to other areas.

6. Group Training

In addition to the projects introduced above, JICA implements some “group” training courses concerning anti-corruption. These training courses involve the transfer of Japanese specialized knowledge and technology. Training programs are implemented with the cooperation of Japan’s national and local governments, universities, private enterprises,

non-governmental organizations and other relevant parties. The training courses are as follows:

- (i) *Seminar on Government Audit Practices for ASOSAI (Asian Organization of Supreme Audit Institutions) Member Supreme Audit Institutions (supported by the Board of Audit)*
- (ii) *Seminar on Government Audit (supported by the Board of Audit)*
- (iii) *Seminar on National Government Administration for Senior Officials (supported by National Personnel Authority)*
- (iv) *Seminar on Public Personnel Administration for Middle Level Officials (supported by National Personnel Authority)*