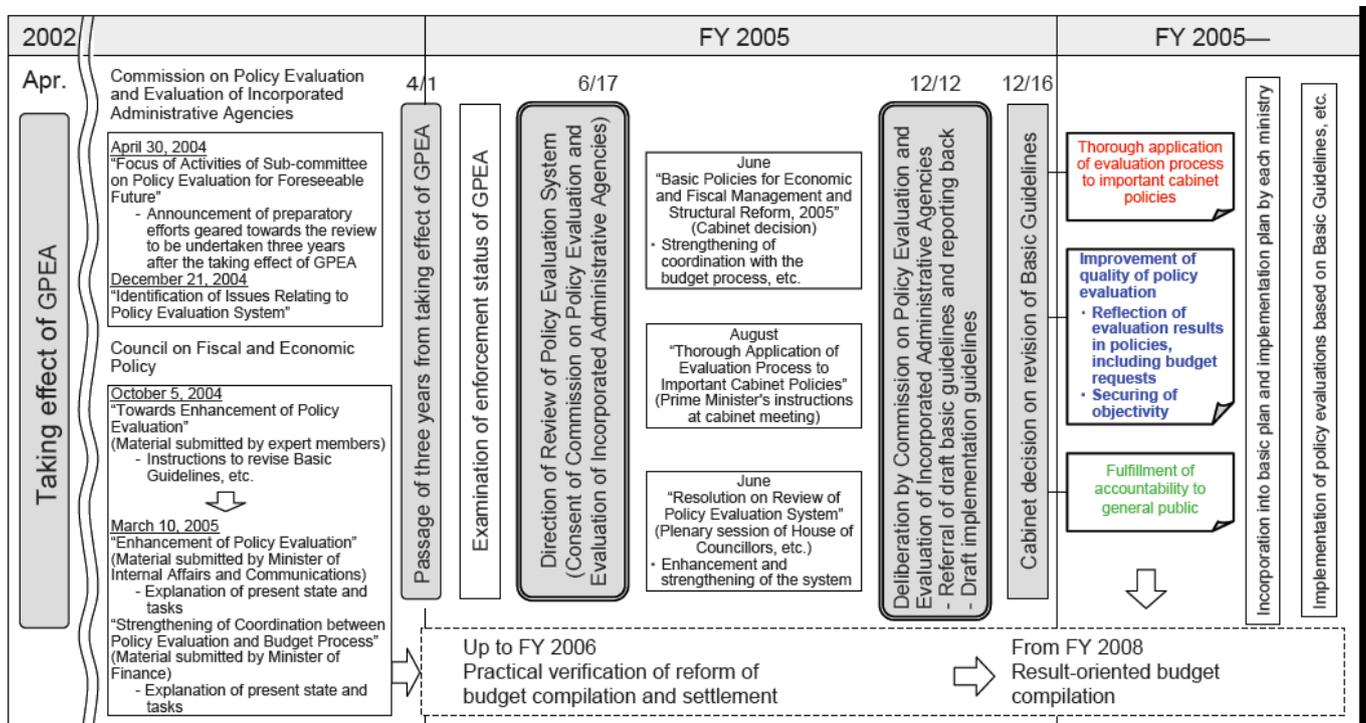


How policy evaluation was reviewed?

Course of Events Leading up to Review of Policy Evaluation

Article 2 of Supplementary Provisions of Government Policy Evaluations Act (GPEA)

“The Government shall review the status of enforcement of this Law when three years have elapsed from the date of its enforcement, and take any necessary measures based upon the results of such review.”



Review of Policy Evaluation System

December 2005

Ministry of Internal Affairs and Communications

Article 2 of Supplementary Provisions of Government Policy Evaluations Act (GPEA)

“The Government shall review the status of enforcement of this Law when three years have elapsed from the date of its enforcement, and take any necessary measures based upon the results of such review.”

Date of enforcement: April 1, 2002

I Results of Review of Enforcement Status of GPEA

- **Policy Evaluation has taken root in management cycle**
 - Each year, approximately 10,000 policy evaluations are undertaken, with the results reflected in policies, including budget requests.
 - The policies with numerical targets set increased from 34% in 2002 to 55% in 2004.
- **Tasks [e.g. thorough application of evaluation process to important policies, strengthening of coordination between policy evaluation and budget/final account, and securing of objectivity of evaluation]**
 - “Towards Enhancement of Policy Evaluation” (Presented by private-sector experts before the Council on Economic and Fiscal Policy on October 5, 2004)
 - “Identification of Issues Relating to Policy Evaluation System” (Sub-committee on Policy Evaluation on December 21, 2004)
 - “Resolution on Review of Policy Evaluation System” (— Committee on Administrative Oversight of House of Councillors on June 13, 2005; Plenary session of House of Councillors on June 22, 2005)
 - “Basic Policies for Economic and Fiscal Management and Structural Reform, 2005” (June 21, 2005 Cabinet decision)
 - “Thorough Application of Evaluation Process to Important Cabinet Policies” (Prime Minister's instructions at the August 11, 2005 cabinet meeting on guidelines for budget requests)
- In response to these developments, the MIC released a report “the Direction of the Review of the Policy Evaluation System” in June 2005, and the Commission on Policy Evaluation and Evaluation of Incorporated Administrative Agencies submitted a report on that issue later in the year, followed by a revision of the Basic Guidelines (cabinet decision), etc., effective from FY 2006.

II Main Points of Revision of Basic Guidelines for Implementing Policy Evaluation

Thorough application of evaluation process to important policies

- **Thorough application of evaluation process to important cabinet policies**
 - For each of the important cabinet policies, including those announced in prime minister's policy speeches, a structure that clarifies the policy objective and directions should be established by the relevant ministries for conducting evaluations in a timely and appropriate manner.
- **Policies involving more than one ministry**
 - The relevant ministries should specify targets in the course of policy planning and development.
 - The Ministry of Internal Affairs and Communications should conduct cross-ministerial evaluations on themes in great need of evaluation from the standpoint of the general public.
- **Focusing and streamlining of policy evaluation**
 - Each ministry should focus by, for example, concentrating efforts on priority policies.
- **Efforts geared towards an early introduction of mandatory ex-ante evaluations of regulations**
 - A study to be conducted on a concrete implementing framework, while developing suitable evaluation techniques
 - In October 2004, Regulatory Impact Analysis (RIA) was introduced on a trial basis (approximately 100 evaluations conducted as of October 2005).
 - * An objective analysis of expected impacts, including costs and benefits, is to be conducted prior to the introduction or modification of a regulation.

Improvement of Quality of Evaluation —

Reflection of Evaluation Results in Policies, including Budget Requests

- **Strengthening of linkage between policy evaluation and budget & audit**
 - Activities based on the Basic Policies for Economic and Fiscal Management and Structural Reform 2005 and other relevant cabinet decisions etc. should be pursued.
 - Greater efforts should be directed towards program-level evaluation (performance evaluation method: approximately 750 evaluations conducted in FY 2004)
- **Advance clarification of policy structures, e.g. policy-program-project linkage**
 - The roles of programs in a policy and projects comprising each of these programs should be clarified in advance.
- **Fulfillment of accountability by each ministry**
 - The direction of how evaluation results are to be incorporated into policies should be specified in evaluation reports.
 - The connection between evaluation results and a budget request, etc. into which they are incorporated should be shown.
- **Active implementation of ex-ante evaluations on new projects, followed by ex-post verifications**
 - These should be implemented after clarifying the relationship between the project concerned and its corresponding program.

Improvement of Quality of Evaluation — Securing of Objectivity of Evaluation

- **Clear indication of targets through quantification, etc.**
- **Appropriate and effective utilization of expertise of persons of knowledge and experience**
 - This should be achieved through the formation of a committee regarding evaluation activities in general, including plan formulation, and through consultation with individual experts to seek their concrete advice according to respective policy areas.
- **Full publication of data and offer relevant information to enable verification from outside**

Fulfillment of Accountability to General Public

- **Preparation of evaluation reports and summaries that are easy for general public to understand**
 - Separate roles should be given to summaries and evaluation reports by, for example, ensuring conciseness for the former and incorporating vital information or access information for reference materials for the latter.
- **Active pursuit of PR activities for policy evaluation system and promoting public positive discussion.**
 - Policy evaluation forums have been held at various places across the country (at three