

FY 2012 Japan Fair Trade Commission Performance Evaluation Report (Standard Format)

(The Japan Fair Trade Commission 24-(7))

Name of Activity	Public relations and public hearings on competition policy, etc. Creating a competitive market environment						
Outline of Activity	(i) Supporting and promoting activities for the prevention of bid-rigging, etc. by public agencies through the implementation of training, (ii) distributing information about the importance of competition policy and the key points at issue in recent discussions regarding competition policy through activities such as implementation of open seminars, and (iii) supporting and promoting activities for competition assessment implemented by each of the government offices and ministries in their efforts to conduct ex-ante evaluations of regulations.						
Goal	Creating a competitive market environment by promoting the establishment of competition policy among public agencies and enterprises through such means as (i) improving public agencies' awareness of and approaches to preventing bid-rigging, etc. related to orders placed by such organizations (for the achievement of the forgoing, implementing training on the Act on Elimination and Prevention of Involvement in Bid Rigging, etc. and Punishments for Acts by Employees that Harm Fairness of Bidding, etc. to match or exceed the average frequency of such training sessions for the last 5 years), (ii) enhancing understanding of competition policy among enterprises, practitioners in legal communities and other areas, and staff of public agencies (for the achievement of the forgoing, implementing open seminars on competition policy to match or exceed the average frequency of such seminars for the last 5 years), and (iii) promoting the establishment of competition assessments to be implemented by each of the government offices and ministries in their efforts to conduct ex-ante evaluations of regulations and improving the quality of such assessments.						
Budget-Related Activity	Breakdown of Budget		FY 2009	FY 2010	FY 2011	FY 2012	Amount requested for FY 2013
	Amount Allocated (thousand yen)	Budget Supplemented (a)	45,622	36,832	46,482	45,415	43,910
		Budget Carried (b)	0	0	0	0	0
		Total (a + b)	45,622	36,832	46,482	45,415	43,910
	Executed amount (thousand yen) (c)		37,977	29,713	35,732		
Important Cabinet Policy Related to the Activity (Main Administrative Policy Speeches, etc.)	Name of the administrative policy speech, etc.			Date		Relevant part (excerpt)	
	Guidelines Concerning Measures for Promoting the Optimization of Bids and Contracts for Public Works (Cabinet decision)			August 9, 2011		Article 2. Measures for promoting the optimization of Bids and Contracts 3. Matters concerning the comprehensive elimination of bid rigging and other unjust practices mainly from bids and contracts (5) Matters concerning the prevention of public agencies' involvement in bid-rigging “The heads of ministries and agencies shall make efforts to eliminate and prevent involvement in bid-rigging by the staff undertaking order placement operations based on the Act concerning Elimination and Prevention of Involvement in Bid Rigging, etc. and Punishments for Acts by Staff that Harm Fairness of Bidding, etc. (Act No. 101 of 2002)”	
	Administrative policy speech to the 166th Diet session			January 26, 2007		I deeply regret that the problems of collusive bidding at the initiative of government agencies have occurred frequently within national and local governments. I will ensure the strict enforcement of the revised Act on Elimination and Prevention of Involvement in Bid Rigging, etc. and Punishments for Acts by Employees that Harm Fairness of Bidding, etc. as well as the implementation of general competitive bidding.	

Evaluation Index	Frequency of training sessions on the Act on Elimination and Prevention of Involvement in Bid Rigging, etc. and Punishments for Acts by Employees that Harm Fairness of Bidding, etc. for public agencies (times)	Actual Results				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
		78	103	117	165	178
		Target Figures for Each Fiscal Year				The same as or more than the average of the last 5 years
	Degree of understanding of participants in the training on the Act on Elimination and Prevention of Involvement in Bid Rigging, etc. and Punishments for Acts by Employees that Harm Fairness of Bidding, etc. implemented for public agencies (%) [See Note 1]	Actual Results				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
		-	-	-	93.2	94.8
	Degree of effectiveness of the training on the Act on Elimination and Prevention of Involvement in Bid Rigging, etc. and Punishments for Acts by Employees that Harm Fairness of Bidding, etc. implemented for public agencies (%) [See Note 2]	Actual Results				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
		-	-	-	91.3	93.7

Note 1: In terms of the degree of understanding, the ratios of the participants who responded in the questionnaire survey that the level of their understanding of the Act on Elimination and Prevention of Involvement in Bid Rigging, etc. and Punishments for Acts by Employees that Harm Fairness of Bidding, etc. "Deepened" and those who answered that the level of their understanding of the Act "Deepened to some degree" are shown.

Note 2: In terms of the degree of effectiveness, the ratios of the participants who responded in the questionnaire survey that the content of the training would be "Useful" in their duties in the future and those who responded that the content would be "Useful to some extent" are shown.

Evaluation Index	Whether or not the participants plan to make the contents of the training on the Act on Elimination and Prevention of Involvement in Bid Rigging, etc. and Punishments for Acts by Employees that Harm Fairness of Bidding, etc. known in their workplace. [See Note 3]	Actual Results				
		FY 2011				
		Will conduct training sessions	Will report to superiors	Will report to peers and subordinates	Will circulate materials for the training	Have no plans to make the contents of the training known at the workplace
		3.0	18.8	20.8	57.7	19.1
	Frequency of holding open seminars (number of times)	Actual Results				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
		2	6	3	3	4
	Target Figures for Each Fiscal Year	The same as or more than the average of the last 5 years				
	Degree of satisfaction of participants who attended the open seminars (%) [See Note 4]	Actual Results				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
		-	-	-	74.6	79.6
	Degree of satisfaction of participants who attended the international symposium (%) [See Note 5]	Actual Results				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
		-	-	-	56.8	97.0
	Number of cases of competition assessment implemented using the Competition Assessment Checklist [Note 6] by government offices and ministries in their efforts to conduct ex-ante evaluations of regulations	Actual Results				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
		-	-	-	67	82
	Frequency of holding meetings for the review of methods of regulatory impact analysis, etc. (number of times)	Actual Results				
		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
		-	-	-	2	2

Note 3: Multiple answers were permitted.

Note 4: In terms of the degree of satisfaction, the ratios of the participants who gave ratings of “5” or “4” regarding the content of the open seminars out of all the participants are shown. This is based on five ratings, where the rating for “Was very informative” is “5,” that for “Was informative” is “4,” and that for “Was not informative at all” is “1.”

Note 5: In terms of the degree of satisfaction, the ratios of the participants who gave ratings of “5” or “4” regarding the content of the international symposium out of all the participants are shown. This is based on five ratings, where the rating for “Was very informative” is “5,” that for “Was informative” is “4,” and that for “Was not informative at all” is “1.”

Note 6: Competition Assessment Checklist is a prearranged checklist for competition assessment in which the questions are provided. As a method of clarifying the impact on competition of the enactment, revision or abolition of regulations, administrative organs answer the questions on the checklist as part of their efforts to implement competition assessment. The JFTC prepared the Competition Assessment Checklist in collaboration with the Ministry of Internal Affairs and Communications.

Results of Evaluations of Activity	Status of Achievements	<p>Training on the Act on Elimination and Prevention of Involvement in Bid Rigging, etc. and Punishments for Acts by Employees that Harm Fairness of Bidding, etc. was held 178 times, significantly exceeding our target (equivalent to or exceeding the average number of such seminars held during the past five years, i.e., 107.6 times).</p> <p>Open Seminars were held 4 times, exceeding our target (the average frequency of open seminars of 3.4 times per year during the past five years).</p>
	Directions for Future Activity	<p>If an overall evaluation index benchmarks is to be made, the activity in question can be evaluated as being necessary and effective in promoting the establishment of competition policy among public agencies and enterprises, and in creating a competitive market environment. However, as stated below, it is necessary to further enhance and develop relevant activities and challenges.</p> <p>In assisting and promoting activities to prevent bid-rigging etc. at public agencies, the JFTC continues to actively encourage the participation in training involving government offices and ministries other than those that are keenly interested in the prevention of bid-rigging, etc. and to require the participation of officers at high risk of becoming involved in agency-initiated collusive bidding. The JFTC will also devise easier materials for the training sessions and endeavour to understand the needs of public agencies through questionnaires, etc. And to further efforts for the prevention of bid-rigging, etc. on an ongoing basis by the public agencies as an organization, it is necessary to conduct training on a regular basis, including when a personnel reshuffle is undertaken.. In addition, it is considered to be appropriate to ensure that the officials in charge of order placement for the ordering parties hand over the content of the training to their successors at the time of a personnel reshuffle, as well as to support and further the challenges of the public agencies that have received the training for initiating elementary training on their own within their organizations in the future. And for the convenience of public agencies in this regard, the JFTC posts training session materials and texts on its website. The JFTC will continue to provide as much reference material as possible.</p> <p>In providing information about the importance of competition policy and the key points at issue in recent discussions regarding competition policy, the JFTC has raised the name recognition of the CPRC, alongside creating incentives for scholars, etc. to participate in the CPRC activities, by actively providing information through publishing in journals summaries of joint research outcomes and lecture synopses, and by taking advantage of domestic and international conferences to introduce the CPRC research outcomes. Given that participants at some open seminars have ranked them somewhat low and given that many people choose to participate in open seminars based on the theme, the JFTC should focus on selecting important competition policy themes that are of interest to enterprises and practitioners. With these efforts, it is considered to be appropriate to promote and strengthen cooperation among the JFTC, practitioners in various areas, and the academic world through synergy effects of improving contents of the CPRC events, increasing the number of participants and positive contribution from the academic world and practitioners.</p> <p>In supporting and promoting activities for competition assessment implemented by government offices and ministries in their efforts to conduct ex-ante evaluations of regulations, it is necessary to distribute Competition Assessment Checklists, guidelines, and other materials to encourage the establishment of competition assessments. Then these efforts are respectively implemented efficiently. Therefore the JFTC must also continue these activities in an efficient manner. Besides this, it is important to continue to analyze and study the results of competition assessments implemented by government offices and ministries on an ongoing basis. It is also necessary to continuously consider, based on the results of these analyses and studies, with the Ministry of Internal Affairs and Communications, the measures that will (1) revise guidelines with more enriched and specific examples and (2) add notes and examples to the Competition Assessment Checklists so that government offices and ministries can more appropriately conduct checklist-based competition assessments. Finally, the JFTC will continue to consider the assistance frameworks so as to enable government offices and ministries to more appropriately assess the impacts on competition of enacting, revising, or abolishing regulations.</p>
Use of Expert Knowledge	<p>• Municipalities as well as large public agencies need to understand this issue to prevent bid-rigging. What measures have you taken in this regard? (Mr. Tanabe)</p> <p>(We run training courses for municipalities that are outside of the ordinance-designated cities as well as training courses using the prefectural Liaison Committees on the Operation of Public Works Contract Systems of which municipalities are members.)</p>	

Materials and Other Information Used During Policy Evaluation	<p>(1) Questionnaire concerning the degree of understanding, etc. of the participants in the training on the Act on Elimination and Prevention of Involvement in Bid Rigging, etc. Target of survey and number of persons: Participants in the training on the Act on Elimination and Prevention of Involvement in Bid Rigging, etc. and Punishments for Acts by Employees that Harm Fairness of Bidding, etc./ 12,682 persons Survey method: questionnaire to the participants in the training Prepared by: The JFTC Survey period: April 2011 to March 2012 Number of valid responses: 10,078 persons</p> <p>(2) Questionnaire concerning the degree of satisfaction of the participants in the open seminars Target of survey and number of persons: Participants in the open seminars/ 164 persons Survey method: distribution and collection of questionnaires at the venues on the days of the open seminars Prepared by: The JFTC Survey period: June 2011 to December 2011 Number of valid responses: 137 persons</p> <p>(3) Questionnaire concerning the degree of satisfaction of the participants in the international symposium Target of survey and number of persons: Participants in the international symposium/ 84 persons Survey method: distribution and collection of questionnaires at the venues on the days of the international symposium. Prepared by: The JFTC Survey period: March 2012 Number of valid responses: 67 persons (Note) All the above materials are held by the General Affairs Division, Secretariat, General Secretariat, the JFTC.</p>
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Responsible Department	General Affairs Division, Economic Affairs Bureau Economic Research Office, General Affairs Division, Economic Affairs Bureau Coordination Division, Economic Affairs Bureau	Responsible Person	Mr. Koichi Higashide, Director, General Affairs Division, Economic Affairs Bureau Mr. Satoru Horiuchi, Director, Economic Research Office Mr. Hiroshi Kasahara, Director, Coordination Division	Year/Month for Policy Evaluation	April – July, 2012
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