

# FY 2013 Japan Fair Trade Commission Performance Evaluation Report (Standard Format)

(The Japan Fair Trade Commission 25-(8))

<b>Name of Activity</b>	Public relations and public hearings on competition policy, etc. Creating a competitive market environment						
<b>Outline of Activity</b>	(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.						
<b>Goal</b>	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. (FY 2012)						
<b>Budget-Related Activity</b>	Breakdown of Budget		FY 2010	FY 2011	FY 2012	FY 2013	Amount requested for FY 2014
	Amount Allocated (thousand yen)	Budget Supplemented (a)	36,832	46,482	44,507	42,017	42,703
		Budget Carried (b)	0	0	0	0	0
		Total (a + b)	36,832	46,482	44,507	42,017	42,703
Executed amount (thousand yen) (c)		29,713	35,732	40,355			
<b>Important Cabinet Policy Related to the Activity (Main Administrative Policy Speeches, etc.)</b>	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.		

<b>Evaluation Index</b>	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 2008	FY 2009	FY 2010	FY 2011	FY 2012	
		103	117	165	178	235	
	Target Figures for Each Fiscal Year		-	-	-	108+	128+
	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 2008	FY 2009	FY 2010	FY 2011	FY 2012	
-		-	93.2	94.8	95.3		
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 2008	FY 2009	FY 2010	FY 2011	FY 2012		
	-	-	91.3	93.7	94.0		

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 2012				
		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
	4.9	19.5	21.9	57.4	17.3	3.2
	Frequency of holding open seminars (number of times)	Actual Results				
		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
		6	3	3	4	3
	Target Figures for Each Fiscal Year	-	-	3+	3+	3+
	Degree of satisfaction of participants who attended the open seminars (%) [See Note 4]	Actual Results				
		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
		-	-	74.6	79.6	93.5
	Degree of satisfaction of participants who attended the international symposium (%) [See Note 5]	Actual Results				
		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
		-	-	56.8	97.0	87.1
	Number of cases of competition assessment implemented using the Competition Assessment Checklist [See Note 6] by government offices and ministries in their efforts to conduct ex-ante evaluations of regulations	Actual Results				
FY 2008		FY 2009	FY 2010	FY 2011	FY 2012	
-		-	67	82	42	
Frequency of holding meetings for the review of methods of regulatory impact analysis, etc. (number of times)	Actual Results					
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	
	-	-	2	2	3	

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 235 times, significantly exceeding our target (128 sessions or more).</p> <p>The target (three sessions or more) for public seminars was met, with three sessions held in FY 2012.</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.</p> <p>In FY 2011, we received written-in comments on questionnaires asking for simpler explanations based on specific cases; in response, we increased the number of explanations based on actual cases. The JFTC will continue to select appropriate cases for its explanations and endeavour to ascertain the needs of contracting agencies through questionnaires and other means. In addition, the JFTC has decided to implement training with priority on officials in departments in charge of contracts by means of actively encouraging the implementation of training by, for example, distributing training information documents and materials via the networks of officials in departments in charge of contracts at municipalities under prefectural administrations. For the convenience of contracting agencies in this regard, the JFTC also posts training session materials and texts on its website. The JFTC will continue to provide reference materials as possible .</p> <p>In the area of 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 CPRC, alongside creating incentives for scholars and others to participate in 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 CPRC research outcomes. Given that many people selected the “theme” as the reason for participating in the three open seminars, the JFTC should continue to focus on selecting important competition policy themes that are of interest to businesses and businesspeople. With these efforts, the JFTC should work to enhance and strengthen collaborative ties between the JFTC, businesspeople, and academia through active contributions from academics and businesspeople and through the synergy of more compelling CPRC events and increased participants.</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 Checklist, 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 Checklist 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	<ul style="list-style-type: none"> <li>• The ultimate goal of the Competition Assessment Checklist is to avoid enacting, revising, or abolishing regulations in a way that may hinder competition. Is it correct to assume that, at the present time, the Checklist have not reached a stage where the effect of it can be evaluated? (Mr. Tanaka) (Summary of reply: The Competition Assessment Checklist is still at the trial stage. The JFTC is now trying to establish the Checklist among the government ministries and to improve their answer to it.)</li> <li>• Of the Competition Assessment Checklist submitted by ministries and agencies, does any answer "yes" to the question "Will the regulation have effect on entrepreneurs?" (Mr. Tanabe) (Summary of reply: Some checklists have the answer "yes" for reasons such that the number of businesses is expected to decline.)</li> <li>• Although many of the participants in the training sessions on the Act Concerning Elimination and Prevention of Involvement in Bid Rigging etc. are officials in departments in charge of contracts, more than half said they did not know of the Act prior to the training session. Seeing this, shouldn't you boost your efforts to make people aware of the Act by, for example, working out a method of posting the Act on your website? (Mr. Wakabayashi) (Summary of reply: We will continue to actively run training sessions on the Act Concerning Elimination and Prevention of Involvement in Bid Rigging etc. in order to further awareness of the Act. We have decided to study methods of posting the Act on the JFTC website.)</li> </ul>
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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./ 18,620 persons Survey method: questionnaire to the participants in the training Prepared by: The JFTC Survey period: April 2012 to March 2013 Number of valid responses: 15,439 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/ 219 persons Survey method: distribution and collection of questionnaires at the venues on the days of the open seminars Prepared by: The JFTC Survey period: May 2012 to November 2012 Number of valid responses: 181 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/ 57 persons Survey method: distribution and collection of questionnaires at the venues on the days of the international symposium. Prepared by: The JFTC Survey period: February 2013 Number of valid responses: 39 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. Hiroshi Kasahara, Director, General Affairs Division, Economic Affairs Bureau Mr. Satoru Horiuchi, Director, Economic Research Office Mr. Yukinari Sugiyama, Director, Coordination Division	Year/Month for Policy Evaluation	April – July, 2013
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