

Part 1:

**An Overview of ADB's Law and Policy Reform
Activities in 2001-2002**

AN OVERVIEW OF ADB'S LAW AND POLICY REFORM ACTIVITIES IN 2001-2002

Supporting Law and Policy Reform

1. Law and policy reform is at the heart of good governance, supporting the legal and institutional framework for predictability, transparency, accountability, and participation. Over the years, ADB has provided numerous loan and technical assistance projects with law and policy reform components. In addition, stand-alone technical assistance grants focusing on law and policy reform have been provided for judicial reform; private sector development, particularly for finance, banking, and corporate governance; legal training; dissemination of legal information; and environmental protection.

2. During 2001-2002, ADB continued to pursue law and policy reform as a means of reducing poverty and strengthening good governance with its first stand-alone loans for judicial reform. Two policy loans to Pakistan amounting to \$330 million are supporting the Government's Access to Justice Program, which is strengthening legal protection for all, and is specifically designed to empower the poor and other vulnerable groups. ADB's assistance also includes a \$20 million technical assistance loan to translate the program's legal and policy framework into institutional and organizational arrangements.

3. The Access to Justice Program will give greater meaning to the rule of law in Pakistan. It will help the poor, support gender sensitization and provide resources to reform the police and the judiciary. The program will enable the poor to exercise their legal rights and protect their property from being taken away by the bureaucratic or political elite. Through a legal empowerment fund, the program will provide free legal advice and advocacy for the poor by civil society, including lawyers and nongovernment organizations, and promote awareness campaigns about legal rights in the national language, Urdu. The program will promote opportunities to encourage the appointment of women judges and provide training courses in gender sensitization for the judiciary and the police. The program aims for an independent, accountable, transparent and professional police force that is free of political interference. It will help establish a prosecution service and a police complaints authority, which will both be independent. The program will also strengthen judicial independence by separating the judiciary from the executive branch of government and ensuring adequate funds for the judiciary to meet its mandate. Finally by helping create a legal and judicial system that can uphold the rule of law, check bureaucratic excesses and enforce contracts, the program will contribute to an enabling environment for private sector-led growth.

4. Other activities in judicial reform in 2001-2002 included a regional judicial independence project and a technical assistance to the Philippines to strengthen the independence and define the accountability of the judiciary. The regional project is improving awareness of the importance of judicial independence and the means to achieve it in selected DMCs; it also includes surveys on judicial independence and challenges in these DMCs and selected developed countries, and a workshop and conference on conceptual and practical aspects of judicial independence (e.g., guidelines and methods for evaluating judicial independence and compensation for judges and other court staff). The technical assistance for the Philippine judiciary is supporting its independence, accountability, impartiality, and competence. A framework for the judiciary's fiscal and administrative autonomy is being designed; the appointment process and the accountability and incentive system, under which the judges and justices function, will be improved; and the capacity of the judicial training academy will be

strengthened. Extensive regional consultations were carried out in the Philippines at the end of 2002, with representatives from the judiciary, executive and legislative branches of government, and civil society.

5. ADB continued its support for good governance and anticorruption in 2001-2002 through a regional project to counter money laundering. This project is helping DMCs establish a sound financial framework to avoid becoming easy targets of money launderers. The project is also strengthening regional cooperation in collaboration with the Secretariat of the Asia-Pacific Group on Money Laundering. The importance of united efforts to fight money laundering became more evident following the 11 September terrorist attacks on the United States.

6. In promoting law and policy reform in the financial sector, ADB continued to contribute to the regional debate on issues of insolvency and secured transactions law reform in Asia and the Pacific. ADB assistance to the PRC, in connection with the country's entry into the World Trade Organization, includes strengthening the legal capacity of key government organizations and legal professionals—a hallmark of ADB's law and policy reform activities. Assistance to Cambodia to support the implementation of the recently issued Land Law includes development of implementing decrees and regulations, training of officials and practitioners, as well as outreach activities to ensure that the general population and in particular, the poor are made aware of their rights under the new law. In addition, ADB financed training for government lawyers, judges, and prosecutors in Bhutan, India, Indonesia, Lao People's Democratic Republic (Lao PDR), Maldives, Mongolia, Nepal, Pakistan, Tajikistan, Thailand, and Viet Nam. For more on law reform, see <http://www.adb.org/law>.