

Terminal Evaluation

Asia

1. Outline of the Project

Country:

Singapore

Project title:

Human Resources Development in Financial Sector for ASEAN Countries - Financial Derivatives

Issue/Sector:

Budget/Finance

Cooperation scheme:

Third-Country Training Program

Division in charge:

Southeast Asia Division, Regional Department I

Total cost:

3 Million Yen

Period of Cooperation Fiscal Year 2000 - 2001

Partner Country's Implementing Organization:

Technical Cooperation Department, Ministry of Foreign Affairs
Monetary Authority of Singapore

Supporting Organization in Japan:

Financial Services Agency

Related Cooperation:**1-1 Background of the Project**

Having suffered serious economic damage by the Asian economic crisis in 1997, ASEAN countries had been looking for a new direction to ensure continued economic development. Strengthening of the financial system, especially, was a common concern among them. This represented the key to restructuring of the financial industry, to accurately understanding the movement of the current financial market, and to riding the wave of globalization in the rapid stream of financial internationalization and preeminence of the market.

Under these circumstances, the Government of Japan was supporting the financial recovery of ASEAN countries through the dispatch of "Technical Support Mission on the Human Resources Development in Financial Sector for ASEAN countries" to Thailand, Indonesia and Malaysia. As part of this support, the Government of Japan together with the Government of Singapore had implemented the Third-country Training Program, HRRD in the Financial Sector for ASEAN Countries - Financial Derivatives (the Program) because financial derivatives had recently and rapidly been developed in Singapore, indicative of Singapore's progress in the internationalization of its financial market.

1-2 Project Overview

The training in financial derivatives is conducted for the staff of the Central Governments and the publicly-owned banks of ASEAN countries.

(1) Overall Goal

The participants take on a major role in supervising financial derivatives.

(2) Project Purpose

Participants improve their knowledge and skills of financial derivatives.

(3) Outputs

- 1) Participants understand the transactions in major financial markets.
- 2) Participants understand the background and countermeasures of interest-rate fluctuation.
- 3) Participants understand the risks and utilize financial derivatives to hedge risks.

(4) Inputs

Japanese side:

Short-term Expert	1
Local Cost	49,000 Singapore dollars (3 Million Yen)

Singaporean Side:

Counterparts	2
Local Cost	49,000 Singapore dollars (3 Million Yen)

(5) Participant Countries

Indonesia, East Timor, Philippines, Thailand, Vietnam, Laos, Myanmar and Cambodia.

2. Evaluation Team

Members of Evaluation Team JICA Singapore office
(Commissioned to Spire Research and Consulting Ltd.)

Period of Evaluation 18 January 2002 - 28 March 2002
Type of Evaluation: Terminal Evaluation By Overseas Offices

3. Results of Evaluation

3-1 Summary of Evaluation Results

(1) Relevance

The participating countries of the Training were limited to the countries which suffered the most from the Asian economic crisis; hence, the Training was in line with their needs. Selecting Singapore as the Program implementing country was also appropriate since Singapore has a well-developed financial industry, a well-organized training environment, and active experience in implementing Third-country Training Programs.

Using only slides might have been insufficient for the participants from transition economies, such as Myanmar whose information on financial derivatives is limited. However, the lectures were introductory and 65 percent (11 out of 17 respondents) of the participants who completed the Training and responded to the questionnaire survey (the data collection rate of the questionnaire was 65%) indicated that the content of the Program was in line with their needs. Thus, the Program met the needs of the participating countries overall and the curriculum was appropriate.

(2) Effectiveness

The content of the Program represented a satisfactory level because all respondents (100%) said that the lectures were useful, 82 percent recognized the usefulness of the case studies and 88 percent regarded the group discussions useful.

(3) Efficiency

Based on the answers to questionnaire survey, 94 percent of the respondents said that the training textbooks and equipment were appropriate, all respondents said that the lectures were useful, and 88 percent of the respondents evaluated as useful the group discussions and question-and-answer sessions and the affluent knowledge of lecturers. As a whole, 29 percent of the respondents indicated that the efficiency was high and 65 percent, moderate.

(4) Impact

Over half of the respondents said that participating in the Program was very helpful in improvement of their daily work. Eighty percent (14 out of 17) said that they utilized the knowledge and skills attained in the Program in many ways, ranging from disseminating the knowledge and skills to their colleagues to actual application in their work.

(5) Sustainability

Ninety percent of the respondents said that they had gained the ability to "learn by themselves" and rated the sustainability of the Program "high" or "moderate".

3-2 Factors that promoted realization of effects

(1) Factors concerning Planning

1) Limiting the participating countries to the countries which suffered the most from the Asian economic crisis promoted the realization of effects.

2) Having selected the Monetary Authority of Singapore as the implementing institution promoted a cooperative effect due to Singapore's wide-ranging experience in financial training. Also, the selection of participants from the appropriate agencies by the participating countries was crucial.

(2) Factors concerning the Implementation Process

The textbooks and equipments utilized in the Program were appropriate and the implemented activities were prepared in an appropriate order, enhancing realization of effects.

3-3 Factors that impeded realization of effects

(1) Factors concerning Planning

The beneficiaries were limited to Southeast Asian countries because of the purpose of the Program, which at the beginning was to help those countries to recover from the Asian economic crisis. However, there was a difference of needs and levels among the participating countries which had introduced financial derivatives and had dealt with actual problems on a daily basis (Thailand and the Philippines) and other participating countries which had not introduced financial derivatives. Therefore, it was difficult to determine the appropriate level for the training.

(2) Factors concerning the Implementation Process

In terms of English proficiency of participants, each applicant rated himself above grade three out of five grades. However, some trainees were not able to express their opinions at presentation and question-and-answer sessions.

3-4 Recommendations

(1) Continual cooperation in this field is necessary because transactions in financial derivatives carry the risk of bankruptcy even for large enterprises, and sufficient knowledge of the transactions has to be understood by all market participants.

(2) A textbook and information should be prepared for participants who have insufficient knowledge of financial derivatives.

3-5 Lessons Learned

(1) A system should be devised for the quick collection of data on how the participants utilize and implement the acquired knowledge and skills after termination of the Training through questionnaires to determine the effects of the training so that the information can be used for the next training.

(2) The implementing organization should provide more precise information in advance so that the participants can prepare a country report.

(3) Follow-up should be implemented so that the participants can obtain up-to-date information after termination of the training course.

3-6 Follow-up Situation

In response to the above recommendations, the same training course was implemented in FY2002.