

Summary of the Terminal Evaluation

I. Outline of the Project		
Country: Republic of Kazakhstan	Project: Kazakhstan-Japan Center for Human Development Project	
Sector: Human resource Development	Cooperation scheme: Technical cooperation project	
Division in charge: Japan Center Team, Social Development Department.	Cooperation amount (at the time of evaluation): 889,583,000 yen	
Period of cooperation	(R/D): Oct. 2000	Partner country's implementing organization: Kazakh Economic University
	(Extension):	Supporting organization in Japan: The Japan Foundation
	(E/N) (Grant aid)	Other related cooperation: Grant Aid
<p>1-1 Background to and outline of the cooperation</p> <p>Since its independence in 1991, Kazakhstan has been promoting various reforms for the transition to a market economy. The real economy temporarily regressed greatly due to the confusion caused by the rapid reforms, but slowly recovered after that. In the course of the transition to a market economy, however, Kazakhstan has faced a shortage of human resources, such as civilians who support the real economy and administrative officers who give institutional support, with the result that it has still not be able to sustain stable growth. The Kazakh Government established a long-term plan called "Kazakhstan 2030" and has been making efforts mainly to achieve economic growth based on a market economy and develop the human resources required for economic development.</p> <p>In this situation, Japan was requested by the Kazakh Government to carry out a project that satisfies Kazakhstan's need for the efficient development of human resources to promote the transition to a market economy. As part of preparations for the project, Japan carried out a project formulation study and a preliminary study in FY1997. In October 2000, implementation discussions were held and Japan concluded a Record of Discussions (R/D) with the Kazakhstan side concerning the "Kazakhstan-Japan Center for Human Development Project." The National Academy of Management (now Kazakh Economic University) was appointed as the implementing organization. The goals of this Project are: 1) the Kazakhstan-Japan Center should contribute to the development of human resources useful for Kazakhstan's transition to a market economy; and 2) the Center should contribute to the promotion of mutual understanding between the Japanese and Kazakh people through the provision of information and exchange programs. In September 2002, the Center opened and started three services: business courses, Japanese language courses, and mutual understanding programs.</p>		
<p>1-2 Contents of the cooperation</p> <p>(1) Overall goal</p> <ol style="list-style-type: none"> 1) The process of transition to a market economy in Kazakhstan will be enhanced. 2) Mutual understanding and friendly relations between the two countries will be reinforced. 		

(2) Project goal

- 1) The Japan Center will play a key role in human development of Kazakhstan toward a market economy.
- 2) The Center will promote mutual understanding between the peoples of the two countries through information services and other programs.

(3) Outputs

- 1) The Japan Center will be managed efficiently and effectively, and accessible for the general public.
- 2) Business and computer courses (hereinafter referred to as 'business courses') will be continuously offered to provide practical knowledge and skills on the market economy. The implementation of the courses will gradually be localized.
- 3) Japanese language courses will be continuously offered to fulfill the needs of general public, professionals in business and the public sectors and Japanese language teachers. The implementation of the courses will gradually be localized.
- 4) Publication and visual materials related to Japan in such fields as economy, society and culture will be provided. In addition, the Japan Center will be fully utilized for activities for exchange programs between the two countries.

(4) Inputs

Japanese side:

Dispatch of experts (including the payment of local operating costs), 552 million yen (9 long-term experts and 43 short-term experts); acceptance of training participants, 50 million yen (23 participants); dispatch of a study team, 20 million yen; provision of equipment, 166 million yen (as of the end of May 2005); other costs: 36 million yen

Kazakh side:

Placement of 4 counterparts; purchase of no equipment; provision of a site and facilities for the Center and the implementation of incidental work; operating expenses (lighting, heating, and water expenses), 2,662,000 tenges (about USD19,568 at the average rate in 2004)

II. Outline of the evaluation team

Team members

Team Leader: Mr. Yoshikazu TACHIYARA, Japan Center Team Leader, First Group of the Social Development Department, JICA
Technical Assistance: Mr. Takayuki KAWAKAMI, Foreign Affairs Officer, Technical Cooperation Division, Economic Cooperation Bureau, Ministry of Foreign Affairs
Evaluation Analysis: Mr. Akira MATSUMOTO, Consulting Manager of TAC International
Business Course Planning: Mr. Hideki KAGOHASHI, Senior Consultant of the Development Consulting Division, International Headquarters, UFJ Institute
Japanese Language Course Evaluation: Mr. Hajime TAKAMIZAWA, Professor of the Graduate School of Letters, Showa Women's University
Evaluation and Planning of Japanese Language Course: Mr. Yuichi TAKAHASHI, Dispatch Support Section, Japanese-Language Learners' Support Department, Japan Foundation
Evaluation Planning: Ms. Momoko SUZUKI, Japan Center Team, First Group

	of the Social Development Department, JICA Interpreter: Ms. Keiko KOJIMA Training Coordinator, Training Program Coordination Division, JICE	
Period of the evaluation	June 16 to July 1, 2005	Type of evaluation: Terminal evaluation

III. Outline of the evaluation results

3-1 Confirmation of the achievements

For this Project, 9 long-term experts and 43 short-term experts were dispatched over five years to design business courses and Japanese language courses at the initial stage, give the counterparts guidance concerning the management of the courses, employ and train local staff members for the Kazakhstan Japan Center for Human Development (KJC), and establish the foundation for the system of carrying out the KJC Project. To teach basic knowledge and applied skills, over these three years the KJC provided (one- and two-week) module-type business management courses that consisted of the following subjects: marketing, strategic management, human resources management, project management, product quality control, financial management, international trade business, management planning, and organizational behavior. The number of those who have completed the courses is 666 so far. The number of those who have completed the entrepreneur training course (eight-week intensive course) is 73. Seminars on the European Bank for Reconstruction and Development (EBRD) and other seminars were held 34 times and drew 1,019 participants in total. Visiting education programs (on-site guidance) were also provided on an experimental basis to six companies to create model companies. The KJC employed not only Japanese experts but also many Kazakh lecturers to provide business courses that combined the Japanese experts' theories and guidance based on experience in Japan with the local lecturers' guidance conforming to the situation of Kazakhstan (for the lectures that need understanding about accounting, commercial law, tax law, labor law, and other subjects necessary for local projects). The Japanese language courses included an autumn course (September to January), a spring course (February to June), a class for Japanese language teachers, a class for the introduction of Japanese culture, a children's class, a Japanese language learner's course in Astana, and a Japanese language education seminar. During the three years, a total of 1,282 persons participated in the courses. According to the results of a questionnaire survey in 2005, about 77% of the participants in the business courses responded that the courses were very helpful for improving the knowledge and skills necessary for their jobs, and 94.8% of the participants in the Japanese language courses responded that they were satisfied with the lessons and that not only their eagerness to learn the Japanese language, but also their intellectual curiosity about Japan were satisfied. Moreover, although, because the KJC is far from the city center, the main users of the library and the computer room are the course participants, 5,823 persons have so far used the library and 1,749 persons used videos. In addition, a total of 9,736 persons participated in mutual understanding programs (Japanese movie festivals, origami classes, and other programs through which Japanese culture is introduced to Kazakhs), which have been held almost monthly since August 2002.

The establishment of the activity foundation for this Project took one and a half years after the conclusion of the R/D, and the KJC began full-scale operations in September 2002. In spite of these restrictions, as planned initially, the KJC achieved one of the goals – playing an important role in developing the human resources necessary for Kazakhstan's transition to a market economy.

3-2 Summary of the evaluation results

(1) Relevance

The project goals and the overall goals are in accordance with Kazakhstan's state policy as indicated in "Kazakhstan 2030" and the "Strategy of Innovative Industrial Development of Kazakhstan for 2003-2015" – that is, the development of human resources necessary for the economic sector. They are also in accordance with Japan's aid policy for priority sectors. Moreover, there is high demand for the KJC's activities, and the scale of the target groups is judged to be appropriate. Therefore, the relevance of this Project is high.

(2) Effectiveness

The KJC has been performing its function of developing human resources through three activities: the provision of business courses, the provision of Japanese language education, and the implementation of mutual understanding programs. At the same time, the KJC is highly regarded by the participants in the courses. Therefore, it can be said that the KJC has played an important role in these activities (Project Goal 1). In addition, both the number of applicants for seminars and the number of courses and programs have been on an upward trend. It can therefore be considered that this Project has been effective in the promotion of mutual understanding between people in both countries (Project Goal 2). However, to increase the popularity of the KJC, it is necessary to expand and strengthen public relations concerning the center's activities for not only Japanese living in Kazakhstan but also people in both countries.

(3) Efficiency

With regard to inputs into this Project from the Japanese side, although the quality differed among the business course lecturers (dispatch of experts under simplified turnkey contracts) and it took a lot of time to establish the foundation for the activities with the use of the initial budget for the Project (for the provision of equipment and establishment of the facilities), the other inputs were provided almost according to the schedule within the project period. The Vice-President of the Kazakh Economic University assumed the position of project coordinator and was placed appropriately to manage the Project, together with four other university staff members and 13 local staff members employed hastily at the beginning of the Project. In addition, the KJC's facilities and equipment have mostly been put to proper use. However, appropriate IT staff members should be employed promptly to further promote the effective use of the facilities of the computer room. To improve the capabilities of the local staff members of the KJC management department, training in Japan and educational training, such as OJT, have been carried out positively, with the result that the Kazakh staff members have begun to play a substantive role in the management of the KJC and the efficiency of the management has increased. On the other hand, because the project period is limited, it is necessary to have young staff members stay with the KJC and improve their capabilities further. Although the efficiency is judged to be generally high, it is necessary to construct a more efficient independent management system.

(4) Impact

It can be said that, in the economic and business sectors, the KJC's provision of useful knowledge to the participants in the business courses has played a certain role in developing Kazakhstan's human resources, such as among businesspersons and government officials. Because of this, it can also be said that the KJC has to a certain extent contributed to

“Kazakhstan’s transition to a market economy,” one of the overall goals. However, the extent of the impact that the KJC has had from a quantitative viewpoint is difficult to strictly evaluate at present. To measure the impact on the overall goals, it is necessary not only to continue and expand the activities from a longer-term viewpoint, but also to evaluate it from a multifaceted viewpoint. It is necessary also to take into consideration changes in the behavioral styles of the business course participants, such as improvements in the management of their companies, and the relationship to individual phenomena, such as improvements in performance.

With regard to the second overall goal, “strengthening of mutual understanding and friendly relations between both countries,” it is possible to analyze, for example, whether the KJC has served as a resource center that provides information on Japan through its various activities (business courses, Japanese language courses, and mutual understanding programs). However, because it has only been three years since the opening of the KJC and because it is difficult to conduct a large-scale quantitative evaluation, such as an attitude survey of the population in both countries, this study only indicates an approximate value for the impact, although it can be confirmed that the project has had a positive impact.

(5) Sustainability

(Organizational aspects)

In June 2004, the KJC was officially registered as an institution attached to the Kazakh Economic University and was allowed to gain revenues and conclude contracts. Moreover, remuneration for the staff members of the Kazakh Economic University, including the Vice-President, is paid monthly from the KJC’s revenues (their salaries are paid by the university). They are engaged in the management of the KJC. Business courses, Japanese language courses, and mutual understanding programs are regularly held as training courses for human resources development and programs for the promotion of mutual understanding between both countries. It can therefore be said that the organizational foundation has been established.

(Technical aspects)

With regard to both the business courses and the Japanese language courses, the Kazakh lecturers have acquired knowledge and skills from Japanese experts and lecturers. With regard to the Japanese language courses in particular, 10 Kazakh lecturers (1 full-time lecturer and 9 part-time lecturers) are teaching the courses. Their teaching skills are high, technical transfer has progressed through OJT and practical training in Japan, and the ability to manage the courses has improved. Therefore, it can be said that the sustainability of the management of the courses is high. In general, it can be said that the management capabilities of the KJC staff members have been improving. If the existing staff members continue to work for the KJC and endeavor to improve their capabilities, it will be possible to improve sustainability regarding the technical aspects.

(Financial aspects)

The KJC’s utility costs are paid by Kazakh Economic University. Moreover, the KJC receives tuition fees from the training course participants and gains other revenues from membership, books, videos, and Internet services. The KJC’s revenues are paid as basic salaries for the KJC staff members and remuneration for the staff members loaned from Kazakh Economic University. However, even if the amount of expenses paid by JICA (for

Japanese experts and lecturers) is excluded, the cost recovery rate estimated from the KJC's revenues and expenditures is about 5% to 20%. Therefore, it cannot be said that KJC is profitable. During the three years from 2002 to 2004, the average ratio of revenues to operating expenses was 12.8%. This figure is comparable to similar institutions in Kazakhstan (Germany's Goethe Institute and the UK's British Council), so is not particularly poor. First of all, however, it is necessary for Japan and Kazakhstan to cooperate to confirm the basic policies to consider what financial policy they should adopt to manage the KJC. Given what has been described above, it cannot be said that financial sustainability is sufficient at present.

3-3 Factors for the emergence of the effects

In this Project, feedback from the participants in the KJC's activities (business courses, Japanese language courses, and mutual understanding programs) and other institutions is reflected in the design and contents of the courses from time to time, and the processes of regular monitoring and improvement of the contents of the courses are incorporated into the KJC's activities. It can be said that this has made it possible to respond promptly to Kazakhstan's rapidly changing customer needs and policy agendas and was effective in gaining achievements.

3-4 Problems and the factors causing them

From the start of the KJC, it was assumed that the Japanese side would provide long-term inputs into the management of the KJC. Moreover, there was a tendency to make the management of the Project itself the purpose, thinking that the very existence of the KJC in Kazakhstan would be important for the promotion of friendly relations between both countries. In addition, because the Project was managed without establishing quantitative indicators for measuring the level of achievement, it was hard to say that the achievement of the goals has been properly monitored, with the result that the Project was not totally managed according to the PDM. Because of this, importance was not placed on improvements in the capabilities of the KJC staff and the counterparts. This impeded the achievement of some project goals.

3-5 Conclusions

The Kazakh side and the Japanese evaluation team held a series of consultations and concluded that the outputs specified in PDM had almost been achieved. Kazakhstan's transition to a market economy has rapidly progressed and there have been changes in the human resources necessary for economic development and the needs related to the technical contents. In addition, because economic and cultural interest has been increasing between Kazakhstan and Japan, it is necessary for the KJC to continue to fulfill these needs. The Kazakh Government also submitted a request for continuation of the support for another five years (October 1, 2005 to September 30, 2010) as Phase 2. To heighten the achievements and impacts of this Project, JICA decided to consider this positively.

3-6 Recommendations (concrete measures, proposals, and advice concerning the Project)

(1) Establishment of the legal status

Because the KJC has still not gained any legal status in Kazakhstan, it has problems such as being unable to have its own bank account. Moreover, because the R/D was not ratified at the national assembly in Phase 1, to provide equipment, the Japanese side has lent it to the

KJC, regarding it as the property of the Japanese Embassy in Kazakhstan. To manage the Project smoothly, it is necessary for JICA and the counterpart agency to solve these problems immediately.

- (2) Accurate assessment of the needs and monitoring to effectively provide the business courses

Because Kazakhstan's transition to a market economy has been rapid and there are competing institutions that develop business human resources, the needs with regard to the KJC's business courses are expected to become more diverse. Because of this, it is necessary to construct a system for accurately assessing the needs. In addition, it is essential to monitor the achievements in each course and, if necessary, review the course design according to the results. Concretely, it is desirable to carry out the following measures by the end of the Project:

- a) Regular surveys of the needs
- b) Establishment of monitoring and evaluation systems (such as feedback from the participants and cooperating organizations)
- c) Exchange of opinions through regular meetings with related government agencies and cooperating organizations

- (3) Strengthening of the information provision function and public relations

In Kazakhstan, the number of Japanese companies and the number of Japanese ODA projects is limited. Because of this, Kazakhstan has a limited number of places where information on Japan is available, and the Kazakh people have not understood Japan well. In Japan as well, there are few opportunities to obtain information on Kazakhstan's culture, society, and economy. In this situation, the KJC's role in mutual understanding between both countries is extremely important. Therefore, the KJC is required to improve the function of providing information about both countries. At the same time, it is necessary to enrich public relations to make the KJC more widely known. It is desirable for carry out these efforts by the end of the project period.

- (4) Proper assignment of personnel to the management of the KJC

In Phase 2, the KJC is expected to diversify its business courses. Efficient and effective diversification of the business courses requires the appointment of course managers. In addition, to carry out activities stably in Astana, it is desirable to establish a base and assign a liaison officer to the base. JICA and the counterpart agency should take the necessary measures at the beginning of Phase 2.

- (5) Improvement of the KJC's profitability

Most of the KJC's operating costs are paid from JICA's local operating expenditures. Because each of the courses has a good reputation, revenues from the tuition fees have been increasing year by year. However, the cost recovery rate of the KJC's operating costs is still low. To manage the KJC stably, it is necessary to increase the cost recovery rate. In addition, by the beginning of Phase 2, the Japanese side should fully discuss to what extent and how the KJC's sustainability should be achieved, taking into consideration the public nature of the Project as an ODA project and the KJC's direction for the future.

3-7 Status of the follow-up

Since October 2005, the governments of both countries, JICA, and the counterpart agency have been discussing the implementation of Phase 2 of this Project.