

Simplified Ex-Post Evaluation for Technical Cooperation Project

Evaluator, Affiliation	Akihiro Nakagome, Keisuke Nishikawa Ernst & Young Advisory Co., Ltd.	Duration of Evaluation Study
Project Name	The Project for the Establishment and Capacity Building of Regional Export Training and Promotion Centers	February 2010 – December 2010

I Project Outline

Country Name	Republic of Indonesia		
Project Period	July 2002-June 2006		
Executing Agency	National Agency for Export Development, Ministry of Trade (NAFED), Indonesia Export Training Center (IETC), Regional Export Training Promotion Center (RETPC)		
Cooperation Agency in Japan	Japan External Trade Organization (JETRO), The Association for Overseas Technical Scholarship (AOTS)		
Total Cost	479 million yen		
Related Projects (if any)	Project-Type Technical Cooperation for the Indonesia Export Training Center (1988-1993), The Project on Human Resources Development in the Trade Sector (1997-2001), JICA-Net training for promoting project implementation, Country-focused training program on agribusiness SME development, Teacher training project for electronic engineering polytechnic institutes in Indonesia (1999-2004), NAFED functions improvement project (2010-2015 [scheduled])		
Overall Goal	To promote exports of Small and Medium-sized Enterprises (SMEs) in the regions where RETPCs have been established		
Project Objective(s)	Model RETPCs (in Surabaya, Medan, Makassar, and Banjarmasin) provide export training, trade information and promotion services for SMEs in their respective regions.		
Output[s]	<ol style="list-style-type: none"> 1. A management and operation system for the Project has been established at the respective RETPCs to provide export training and information/promotion services through collaboration with the Project Team¹ 2. The counterparts (C/P) at the RETPCs are skilled in managing export training services. 3. The C/P at the RETPCs and the Project Team are skilled in utilizing IT, including distance learning techniques, for export training services. 4. The C/P at the RETPCs and the Project Team are skilled in managing trade information and promotion services (permanent exhibitions, operation of library and the distribution of off-line information). 5. The C/P at the RETPCs and the Project Team are skilled in utilizing IT for trade information and promotion services (such as virtual exhibitions and business matching through the website). 6. The C/P of the Project Team acquires the know-how for replicating the capacity building programs of the RETPCs in other regions. 		
	Inputs (Japanese Side)	Inputs (Indonesian Side)	
Experts	5 Long-term Experts, 17 Short-term Experts	Staff allocated	87 people
Equipment	73 million yen	Equipment	-
Local Cost	31 million yen	Local Cost	20,263 million Indonesian rupiah
Trainees Received	65 for training in Japan; 8 for training in a third country	Land etc provided	-
Others	-	Others	-

II Result of the Evaluation

Summary of the evaluation
<p>In the development policies of the Republic of Indonesia, SME promotion and export promotion were positioned as priority tasks both at the time of planning and of the ex-post evaluation. This project is highly relevant with the country's policies. In addition, there are significant development needs for the provision of export training and other services by the RETPCs that reflect the requirements of SMEs. Japan's ODA policy at that time emphasized assistance for the reconfiguration of the industrial structure, so it was recognized that this project was highly relevant with Japan's ODA policy.</p> <p>As for impacts, an increase in the volume of exports was seen in Northern Sumatra (Medan). In terms of effectiveness, effects were identified in the following points at the time of the terminal evaluation of the project and the effectiveness of the project is therefore considered to be high:</p> <ul style="list-style-type: none"> • At the respective RETPCs, a system of providing export training and information/promotion services was improved and provision of training courses was started. • The C/P of the NAFED/IETC and RETPC acquired IT utilization skills through the implementation of distance education for SMEs and Internet training at the RETPCs. • Through the operation of the mini-resource centers at the RETPCs, management techniques for trade information services were acquired.

¹ This is a team consisting of the IETC, which has accumulated know-now in providing export training through Japan's cooperation over the past ten years, and NAFED, which is the ruling body of the IETC and has jurisdiction over trade promotion/information services. The team's purpose was to transfer technology to the RETPCs with the cooperation of JICA experts.

- The C/P of NAFED/IETC acquired the necessary know-how by which they could develop a manual for replicating the capacity building programs of the RETPCs in other regions.
- In addition to the provision of training, the RETPCs came to provide space for virtual exhibitions and permanent exhibitions, so that their services have come to be used by many SMEs
- SMEs are applying the knowledge and technologies they acquired in the training provided by the RETPCs to their business operations. Some of them actually succeeded in exporting their products.

With regard to efficiency, outputs were produced as planned, and the terminal evaluation of the project found that the inputs were appropriate both in terms of the project period and project costs. Therefore, the efficiency of the project is considered to be high.

As to the sustainability of the project, each RETPC has been continuing their activities after the project, such as the provision of training services and exhibitions, and the promotion of SMEs' participation in other exhibitions, with the budget generally secured and allocated for this purpose.

In light of the above, this project is evaluated to be highly satisfactory.

1 Relevance

(1) Relevance with the Development Plan of the Republic of Indonesia

The country's National Development Plan (2000-2004) regarded export promotion and SME promotion as the priority programs. The priority tasks of the Five-Year Development Strategy (2004-2009) also included "improvement of the environment for the efficient development of SMEs" and "emphasizing trade promotion cost reductions and an increase in the number of promotional activities in improving the export environment."

(2) Relevance with the Development Needs of the Republic of Indonesia

This project is relevant with the needs of the country's SMEs that are planning to start/expand export businesses in the regions where the RETPCs have been established. NAFED's operations include the execution/coordination of export promotion activities. IETC is playing the role of providing various training courses as an executing agency for export training. Accordingly, this project reflects the needs that NAFED/IETC should meet.

(3) Relevance with Japan's ODA Policy

One of Japan's priority assistance activities for the country is "assistance for the reconfiguration of the industrial structure." In particular, assistance to SMEs is emphasized.

This project has been highly relevant with the country's development plan, development needs, as well as Japan's ODA policy; therefore its relevance is high.

2 Effectiveness / Impact

(1) Achievement of Project Outputs and Project Objective(s)

As a result of establishing a system to provide export training and information/promotion services at the RETPCs through this project, training courses were started and the training services were properly operated and managed. The C/P of NAFED/IETC and the RETPCs acquired IT utilization skills through the provision of distance education and the Internet training to the SMEs at RETPCs. Furthermore, through the provision of trade information services by utilizing the mini-resource centers at the RETPCs and on websites, they acquired management skills for the mini-resource centers and IT equipment. The C/P of NAFED/IETC generally acquired the necessary know-how with which they developed sufficient manuals for replicating the capacity building programs of RETPCs in other regions. While the executing agency has felt that the effects could be enhanced if they had more counterparts and training courses during the project, it can be said that effectiveness of this project has been achieved as a whole.

The RETPCs provided training courses to approximately 3,000 participants from SMEs, so that the virtual exhibitions (a half a year average of approximately 300 enterprises participated) and the permanent exhibitions of the RETPCs (a half a year average of approximately 60 enterprises participated) came to be utilized.

Accordingly objectives of the project have been largely achieved.

The changes in the targets for the number of trainees, the number of enterprises that utilized the RETPCs, and percentage of self-income in the mid-term evaluation are the result of consideration of the project situation at the time by the persons concerned, and it aimed at more flexible and practical achievement of the objective.

(2) Achievement of Overall Goal, Intended and Unintended Impacts

Many SMEs are applying the knowledge and technologies they obtained in the training provided by the RETPCs to their business operations. An increase in the volume of exports was seen in Northern Sumatra (Medan), and there were also some cases in which the SME had actually succeeded in exporting its products by the time of the terminal evaluation, although these were not verified due to the limited information provided to the questionnaire in the ex-post evaluation. Ex-RETPC trainees formed a network so that they could share market information and disseminate knowledge obtained from the RETPCs.

Although information is limited, there is an increase of the volume of exports and this project had largely achieved its objectives at the time of the terminal evaluation; therefore, its effectiveness is high.

3 Efficiency

(1) Outputs

As stated in (1) of “Effectiveness / Impact”, this project has produced the intended outputs.

Inputs to the project were executed in line with the project outline. The inputs on the sides of both Japan and Indonesia were appropriate for producing the outputs without any problems, according to the terminal evaluation.

(2) Period of Cooperation

The project period was planned to be 36 months and it was completed in 36 months as planned (100 % of the plan).

(3) Project Cost

The actual project cost was 479 million yen (the planned cost was unknown).

Although the project cost could not be compared with the planned cost, the inputs were found to be appropriate at the time of the terminal evaluation. The inputs are appropriate for producing outputs and achieving the project objective, therefore, efficiency of the project is high.

4 Sustainability

(1) Related Policy towards the Project

In “comprehensive and equitable development,” one of the development priorities stipulated by the country’s National Medium-Term Development Plan (2010-2014), the continuation of SME promotion program is emphasized. Thus, the promotion of SMEs will continue to be important.

(2) Institutional and Operational Aspects of the Executive Agency

According to the experts involved in the project, the RETPCs continue to provide training services and promote the participation of SMEs in exhibitions. NAFED holds annual meetings with the RETPCs every year to regularly discuss operation reports, the operation schedule for the subsequent fiscal year, requests for assistance from the central government, and so on.

(3) Technical Aspects of the Executive Agency

According to the experts involved in the project, the respective RETPCs continue to provide services. As new RETPCs are planned to be established, the RETPCs in East Java and South Sulawesi are accepting OJTs. In this way, the C/Ps are maintaining their technologies.

(4) Financial Aspects of the Executive Agency

While the financial information obtained from the executing agency was not fully sufficient in the ex-post evaluation, it was observed that central and local governments have been endeavoring to promote trade activities by securing and increasing the budget allocation including the subsidies, in light of the importance of fostering small and medium-sized enterprises.

(5) Continuity of Effectiveness and Impact

According to the experts involved in the project as well as the executing agency, the respective RETPCs continue their activities, such as providing training services and exhibitions, and promoting the participation of SMEs in other exhibitions.

No major problems have been observed in the policy background, the structural, technical, financial aspects of the executing agency, therefore, sustainability of the project effects is high.