

## Summary of the Terminal Evaluation

<b>I. Outline of the Project</b>	
Country: Republic of Kazakhstan	Project: Kazakhstan-Japan Center for Human Development Project (Phase 2)
Sector: Human resources development	Cooperation scheme: Technical cooperation project
Division in charge: Japan Center Program Division, Public Policy Department	Cooperation amount (at the time of evaluation): 934,000,000 yen
Period of cooperation	5 Years from Oct 1, 2005 to Sep 30, 2010
	Partner country's implementing organizations: Ministry of Education and Science, Kazakh Economic University (Almaty, Astana), Kazakh University of the Humanities and Law (Astana)
	Supporting organization in Japan: The Japan Foundation
	Other related cooperation:
<p><b>1-1 Background to and outline of the cooperation</b></p> <p>Since the Republic of Kazakhstan (hereinafter referred to as “Kazakhstan”) became independent in December 1991, it has adopted radical policies for a CIS country and has achieved positive economic development. Moreover, with an increase in exports of natural resources, such as oil, the country has been maintaining its real GDP growth rate at around 9% to 10% in recent years.</p> <p>On the other hand, economic human resources are insufficient for its rapid economic growth, which requires the provision of intellectual support to persons engaged in business activities in order to improve their business knowledge and skills. In addition, industrial diversification has been delayed.</p> <p>Against this background, the Kazakh Government established in 1997 a long-term development plan “Kazakhstan 2030,” which specifies Kazakhstan’s development strategy by placing importance on the achievement of economic development up to the level of a semi-developed country in Asia through a market economy and on the development of human resources for the achievement of this. In addition, the government has also established a more detailed plan entitled “Innovative Industrial Development Strategy of Kazakhstan for 2003-2015,” in which the Government pays attention to the need for developing small and medium-sized companies and aims to diversify its industries – mainly in manufacturing.</p> <p>This Project is Phase 2 of the Project for Kazakhstan-Japan Center for Human Development (hereinafter referred to as “KJC”). The project period is from October 2005 to September 2010. Under this Project, the provision of business courses and Japanese language education and the promotion of mutual understanding have been carried out in Almaty City (mainly Kazakh Economic University, in which KJC has been placed) and Astana City to strengthen the functions of the KJC as a base for the “development of human resources for Kazakhstan’s transition to a market economy” and the “promotion of mutual understanding between Kazakhstan and Japan” and thereby develop the achievements in Phase 1 and expand the impact based on KJC’s fundamental organization established in Phase 1.</p>	

## **1-2 Contents of the cooperation**

### **(1) Overall goal**

- 1) Human resources will be developed to contribute to Kazakhstan's transition to a market economy.
- 2) Mutual understanding will be promoted between Japan and Kazakhstan.

### **(2) Project goal**

The functions of the KJC will be strengthened as a base for the “development of human resources for Kazakhstan's transition to a market economy” and the “promotion of mutual understanding between Kazakhstan and Japan.”

### **(3) Outputs**

- 1) Management of the KJC: A system for effectively managing the KJC will be established.
- 2) Management of business courses: Practical know-how and knowledge about business management and the development of small and medium-sized companies will be provided effectively to the private and public sectors, and a system for their provision will be established.
- 3) Management of Japanese language courses: High-quality Japanese language courses will be provided and a system for increasing opportunities to provide them will be established.
- 4) Promotion of mutual understanding: The function to bilaterally disseminate information on various subjects in Kazakhstan and Japan will be strengthened.
- 5) Public relations: The KJC will gain substantial visibility in Kazakhstan.

### **(4) Inputs (at the time of the evaluation)**

Japanese side (JICA): Total 934,000,000 yen

Dispatch of 13 long-term experts; dispatch of 58 short-term experts; acceptance of 39 training participants; provision of equipment totaling 1,060,542 tenges; payment of local costs totaling about 186 million tenges

Kazakh side:

Placement of 4 counterparts; provision of equipment and facilities; payment of local costs (such as lighting, heating, and water expenses) totaling about 11 million tenges

## II. Outline of the evaluation team

Team members	Leader/Supervisor: Mr. Katsutoshi FUSHIMI, Director, Japan Center Program Division, Public Policy Department, JICA Advisor: Mr. Takeshi KANEKO, JICA Senior Advisor Japanese Language Course Evaluation: Mr. Kiyoshi OGURI, Japan Foundation Evaluation Analysis: Ms. Tomoko MATSUSHITA, Manager, INGEROSEC Corporation Evaluation and Planning: Ms. Rumiko NOMURA, Assistant Director, Japan Center Program Division, Public Policy Department, JICA	
Period of the evaluation	March 5 to 20, 2010	Type of evaluation: Terminal evaluation

## III. Outline of the evaluation results

### 3-1 Confirmation of the achievements

Achievement 1. Management of the KJC: A system for effectively managing the KJC will be established.

The progress of the Project is controlled through the establishment of a long-term management plan and the JCC. Although a human resources development plan that was to be established at first has not been established, training has been constantly provided to staff members. A total of 23 staff members have received training so far. According to the KJC's financial statements, operating revenues have been gradually increasing, while expenditures have also been increasing year by year. The KJC should therefore manage its services more efficiently.

Achievement 2. Management of business courses: Practical know-how and knowledge concerning business management and the development of small and medium-sized companies will be provided effectively to the private and public sectors, and a system for their provision will be established.

A total of 101 courses have been held so far. A greater variety of courses have been provided to the Project (Phase 2) than in the Project (Phase 1). More than 3,500 persons have participated in the courses up to now. Although there was a time when the number of participants in the business courses was small and their profitability became an issue, it is on an upward trend in the second half of FY2009. Most of the participants have a high regard for the courses, answering that they had 80% to more than 90% satisfaction.

Achievement 3. Management of Japanese language courses: High-quality Japanese language courses will be provided and a system for increasing the opportunities for providing them will be established.

The number of course participants is about 3,000 so far in Phase 2, much higher than the 1,282 in Phase 1. To meet a wide range of Japanese language learners' needs, the KJC in Almaty has provided classes at nine levels. The KJC has also held classes in rural towns, such as Astana and Karaganda. In these towns, the participants were also 90% satisfied on average, indicating that the classes are attracting many participants.

Achievement 4. Promotion of mutual understanding: The function to bilaterally disseminate information on various subjects in Kazakhstan and Japan will be strengthened.

A total of 92 events were held in Phase 2. Although these events varied in size, they were held constantly. Through these events, various activities were carried out not only in Almaty, but also in rural towns. On the other hand, it has still been difficult to say that the information sent from Kazakhstan to Japan is sufficient, compared with information sent from Japan to Kazakhstan.

Achievement 5. Public relations: The KJC will gain substantial visibility in Kazakhstan.

The number of subscribers to the mailing list has exceeded the 2,000 mark and there are many cases where information sent by e-mail has encouraged people to participate in the business courses. The enhancement of the website will become a challenge in the future and it is urgently necessary to take a more strategic approach to public relations.

**Degree of attainment of the project goal**

Project goal: The functions of the KJC will be strengthened as a base for the “development of human resources for Kazakhstan’s transition to a market economy” and the “promotion of mutual understanding between Kazakhstan and Japan.”

Because the KJC has provided more services in Phase 2 than in Phase 1 and has been accomplishing the expected achievements in most of its fields of activity, it is likely to attain the project goal to some extent. On the other hand, JICA still pays most of the local activity expenses (84.9% as of October 2009; 88% in Phase 1). However, KJC’s balance of revenues and expenditures, including its retained earnings, has been steadily increasing and reached 38% of its operating costs in FY2009. KazEU has also indicated its intention to increase its share of the costs in the future. With regard to the staff’s management capabilities, it has become a future challenge to develop human resources that can develop general strategic plans, which requires continuous technical transfer (since the system for evaluating the staff members’ capabilities was just introduced in December 2009, it is too early to evaluate changes in their capabilities now.) Ensuring financial and organizational sustainability is the key to the attainment of the project goal.

**3-2 Summary of the evaluation results**

(1) Relevance

The project goal and the overall goals are in accordance with Kazakhstan’s state policy described 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. Because there is a high demand for most of the activities under the Project, the Project is highly relevant. With regard to the business courses, given the situation of the economic crisis in the country, the KJC has made efforts to increase the number of participants, such as by conducting surveys on the needs of potential participants, and has provided courses that keep up with changing requirements, with the result that improvements can be seen both in the ability to attract participants and the profitability.

(2) Effectiveness

Since the interim evaluation, the chief (or an equivalent position) of each department has been selected from among the local staff, the project management system has been reviewed through, for example, concentrated technical transfers, with the result that improvements can be demonstrated in their motivation to perform the services and their awareness of increasing

profits. On the other hand, there is still a tendency to make light of monitoring according to PDM.

As described above, the project goal is likely to be attained to some extent, but there are problems of increasing the share of the costs and training staff members who are capable of preparing strategic plans.

### (3) Efficiency

Both the Kazakh and Japanese sides have made inputs according to plan. The expected achievements have almost been accomplished. However, there were cases in which delays in the dispatch of Japanese experts, the timing of dispatches, and changes in the contract form had an adverse effect on the transfer of work and the attraction of participants, resulting in a decrease in efficiency. However, because experts were recruited from the private sector whenever needed, it became possible to input human resources that meet local needs.

Although the KJC is managed by a limited number of staff members, they closely cooperate to perform the services effectively. Although there was once concern about the high rate of job separation, many staff members now recognize the significance of their work at the KJC, are satisfied with the working environment, and hope to continue to work for the KJC. Therefore, there seems to be no problem in terms of efficiency. The local staff members are expected to accumulate know-how in planning and management.

### (4) Impact

When the project goal is accomplished, if it is possible to continue to perform the services, the possibility of attaining the overall goal can be judged to be high. This makes it important to ensure its sustainability from the financial, organizational, and managerial aspects. In addition, the degree of attainment of the overall goal seems to have had a considerable effect on Kazakhstan's economic situation and business development by Japanese companies.

### (5) Sustainability

The provision of various courses since the second half of FY2009 has begun to bring about an increase in the number of course participants, an improvement in the financial condition, and an improvement in the management capabilities of some staff members. The Japanese language courses show high sustainability in all the organizational/managerial, technical, and financial aspects, and the staff members of the courses have begun to acquire the capabilities to continue their activities while maintaining a certain size and quality. Although the staff members of the business courses have improved their management capabilities in the past year, it seems hard to continue the provision of business courses without the input of long- and short-term Japanese experts. The General Affairs Division and the promotion of mutual understanding have experienced no problems that hinder everyday work. It is urgently necessary for all the departments to train staff members who can prepare strategic plans.

With regard to financial sustainability, since the Project has assumed the Japanese side's long-term input into the management since Phase 1, most of the necessary expenses have still been paid from JICA's expenses for the strengthening of overseas projects (85% of the total necessary expenses as of September 2009). Although there was a time when operating revenues decreased due to the difficulty of attracting business course participants, the intensive input since the second half of FY2009 has increased operating revenues, resulting in the stability of the business courses. To construct a sustainable management system, it is necessary to consider how the KJC's expenses, including its retained earnings, should be used

more effectively.

### **3-3 Factors contributing the effectiveness**

For the business course, the form of the contract has been changed to better reflect the needs of the students. Before, the contract was inclusive – all the lectures were set for a year-, and had less flexibility. Even if there was a demand for the lectures with new themes and topics, KJC could not respond to them as the contract was hard to change. In contrast, in the new contract form, JICA recruited experts each time, and KJC was better able to select the lecture that meets the needs of the students.

### **3-4. Factors negatively affecting the effectiveness**

Due to the change of the contract form (from the inclusive to the simplified), KJC had difficulties with making a yearly schedule for the business course, resulting to the decrease in the number of the applicants.

### **3-5 Conclusions**

The services have been expanded from Phase 1, the expected achievements are in the process of being accomplished in most of the fields of activity, and the project goal is likely to be attained to some extent. On the other hand, it has been confirmed that the KJC's weakness in its financial and organizational/managerial aspects is still been problematic for its sustainability.

To improve the relevance of the Project, it is necessary to plan and provide services that more accurately meet the needs concerning business courses and the promotion of mutual understanding, which requires further training of the staff. Moreover, from the short-term perspective, it is necessary to provide courses that significantly serve the common good, taking into consideration the local economic situation. From the medium- and long-term perspectives, it is necessary to design financially sustainable courses.

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

#### **(1) Management of the KJC**

KazEU-related persons, the Embassy, and project experts should establish a working group to review the implementing system, the financial plan, and the activities. Each department should establish and revise the operating manual to transfer the services smoothly as described in PDM.

#### **(2) Business courses**

Hold business courses according to the Innovative Industrial Development Strategy of Kazakhstan for 2003-2015 by the end of the Project and, at the same time, provide training for public officials according to recommendations from the Strategy Development Mission sent in October 2009.

#### **(3) Japanese language courses**

Taking into consideration the current ability to manage the Japanese language courses, arrange the contents of the courses to be provided after the end of the Project. Strengthen the staff's

capabilities by on-the-job and off-the-job training, stably securing Japanese lecturers. Moreover, cooperate with the Association of Japanese Language Teachers to hold consultations about plans and systems to hold Japanese speech contests and Japanese language examinations.

(4) Promotion of mutual understanding

Strengthen cooperation among the departments and cooperation with companies and universities, in order to reduce dependency on JICA's expenses for the strengthening of overseas projects and increase profits.