

Summary of Evaluation Report

1. Outline of the project	
Target country: Mongolia	Name of the project: The Mongolia-Japan Center for Human Resources Development Project (Phase II)
Area: Private sector assistance	Scheme: Technical cooperation
Division in charge: Japan Center Program Division, Industrial Development and Public Policy Department	Cooperation amount (at the time of evaluation): ¥596,000,000
Duration of cooperation: January 2007 ~ January 2012	Counterpart organizations: Ministry of Education, Culture and Science of Mongolia The National University of Mongolia
	Japan's partner organization: The Japan Foundation
1-2 Background and overview	
<p>Mongolia began to transform its economic system from planned economy to market economy in the early 1990s. Since then it has been implementing a series of economic reforms towards the complete transition to a market economy. At the same time, the Japanese government developed the idea of establishing the Japan Human Resources Development Center as part of its assistance to human resources development to those countries in the process of transformation to a market economy. It was planned to build the Mongolia-Japan Human Resources Development Center (hereinafter referred to as MOJC) which would function as the core center in addressing the needs for human resources required by market economy and also realizing Japan's "assistance showing the flag" during the cooperation period of five years from January 2002 to January 2007 with the National University of Mongolia (hereinafter as referred to as NUM) as the counterpart (C/P). Since then, MOJC carried out its activities consisting of the program of developing business human resources, the program of the Japanese language education, and the program of enhancing mutual understanding as main three pillars.</p> <p>The Mongolian government submitted its request for implementing the second phase of the project as a result of a true appreciation of our five years' cooperation. In response to the request, the Mongolia-Japan Human Resources Development Center Project Phase II has been implemented for another five-year period since January 22, 2007. Prior to the completion of the project in January 2012, this terminal evaluation was conducted in June 2011.</p>	
1-2 Content of the cooperation	
(1) Overall goals	
a. Human resources development contributing to the market economy in Mongolia will be	

promoted.

b. Mutual understanding between the two countries will be promoted.

(2) Project objective

The functions of MOJC, which are 1) to contribute to human resource development towards a market economy and 2) to promote mutual understanding between the people of Mongolia and Japan, will be strengthened.

(3) Outputs

a. MOJC will be managed effectively and efficiently by strengthened management and monitoring system.

b. Business courses will be offered to provide practical knowledge and skills to meet the needs of small and medium enterprises with the involvement of a larger number of local lecturers.

c. Japanese language courses will be offered to meet the needs of Japanese language teachers and to expand business opportunities for the society.

d. The exchange activities on various fields (economy, society and culture, etc.) between Mongolia and Japan will be strengthened.

(4) Inputs (at the time of evaluation)

a. Japanese side (Total input amount: ¥596 million yen)

Dispatch of long-term experts – 7 persons: Dispatch of short-term experts – 58 persons:

Training in Japan – 53 persons: Provision of equipment – About 32 million yen:

Allocation of project implementation cost – About 84 million yen

b. Mongolian side

Assignment of counterpart – 1 person: staff employed by MOJC – 36 persons (in aggregate): Provision of land and facilities (MOJC site): Utilities (electricity, water, heat)

2. Outline of the evaluation team

Team leader: Senya MORI, Deputy Director General, Industrial Development and Public Policy Department, JICA

Evaluation analysis of Japanese language Course:

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Evaluation planning of Japanese Language Course:

Tomomi HARADA, Teacher and Institutional Support Department, Japanese-Language Group, Japan Foundation

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Cooperation planning: Rumiko NOMURA, Assistant Director, Japan Center Program Division, Private Sector Group, Industrial Development and Public Policy Department, JICA	
Duration of the study: June 8 ~ 24, 2011 (Japanese language: June 14 ~ 18, 2011)	Type of study: Terminal evaluation
3. Overview of evaluation	
3-1 Achievement of the project	
(1) Achievement of the outputs	
<u>Output 1: MOJC will be managed effectively and efficiently by strengthened management and monitoring system.</u>	
<p>The management system was strengthened throughout the period of this Project. MOJC shifted its management from the Japanese-director system to the Japanese-Mongolian co-director system (June 2011). Besides, its manager system was improved: two general managers and a manager (for each department of General Affairs, Business, Japanese Language, Library, Information and Exchange) were appointed. The present national staff consisting of 21 persons is highly competent, and a structure of course management only by the national staff such as designing and monitoring the activity plans has been well on its way. Annual JCC is held and weekly meeting is held with the participation of the staff from all divisions. Although the Center's revenue has been greatly increasing through various measures towards financial independence, it will be difficult to maintain this trend without inputs from JICA.</p>	
<u>Output 2: Business courses will be offered to provide practical knowledge and skills to meet the needs of small and medium enterprises with the involvement of a larger number of local lecturers.</u>	
<p>Practical business courses have been offered in response to the needs of local small and medium enterprises (SMEs) to produce more than 4,100 ex-participants in aggregate. The number of participants in the SME Management Course that had been continued since Phase I became 445 persons in aggregate. Under the leadership of these ex-participants the Kaizen Association was established, which makes efforts to disseminate the fruits of the course in coordination with the MOJC programs such as jointly implementing a training course in Japan (that is, sharing the cost). In addition, the Association meets various needs of SMEs. For instance, it organizes various senior courses for the ex-participants who have acquired basic management and administrative knowledge in the SME Management Course (known as the "regular course") and a consultant development course to foster local consultants in partnership with the European Bank for Reconstruction and Development (EBRD).</p>	

The number of local lecturers at MOJC was 10 as of the time of this terminal evaluation. The number of their classes was on the rise in the SME Management Course. Notwithstanding, the development of local instructors is variable and also many of them are not yet ready to teach higher-level training courses that have been formed to meet local needs. Thus, further efforts are expected to develop necessary human resources.

Output 3: Japanese language courses will be offered to meet the needs of Japanese language teachers and to expand business opportunities for the society.

MOCJ offers two courses to develop Japanese language teachers: the Japanese Language Teaching Skills Course and the Japanese Language Teaching Practice Course. It also provides the courses related to the Japanese language such as the Business Japanese Conversation and Business Letters in Japanese to meet the needs of persons who are interested in business in Japan or studying in Japan. Participants in the Japanese language courses and related programs (including Japanese proficiency test) grew in number, approximately 10,000 persons only during Phase II. An elementary course was opened in fiscal 2010 according to the recommendation made at the Mid-term Review. It received a number of applicants that exceeded the fixed number. It is anticipated that the number of the classes will be increased in the future. Local teachers teach 56% of the total lecture hours of the Japanese language courses.

Output 4: The exchange activities on various fields (economy, society and culture, etc.) between Mongolia and Japan will be strengthened.

MOJC is conveniently located to carry out mutual understanding promotion activities such as being situated in the central part of Ulaanbaatar. With this strong point in the background, the number of visitors to MOCJ reached one million people in 2009 (in aggregate since the opening). In addition, more than 6,900 persons participated in mutual understanding events (only during Phase II). The meeting rooms in MOJC are used both by the Mongolian side and the Japanese side (for the programs sponsored or jointly hosted by the Embassy and/or JICA) and have been rented to various organizations 230 times. In 2010 a study-in-Japan fair was held, in which some 500 students who were interested in studying in Japan participated. In recent years, from the perspective of increasing revenue, MOJC actively accepts entrusted projects. For instance, it carries out the employee training courses entrusted by the Japan Foundation (JF) and Japanese enterprises, which are managed primarily by the MOJC staff. Through such efforts, MOJC is now recognized as “the window of Japan” in Mongolia.

(2) Achievement of the project objectives

3-2 Evaluation of the five criteria

(1) Relevance: High

Since democratization in the 1990s, Mongolia has been facilitating its transition from planned economy to market economy. In March 2007 the Parliament passed the bill to formulate the “Millennium Development Goals-based Comprehensive National Development Strategy” for the period from 2006 to 2021. This Strategy is planned to be implemented during the period from 2007 to 2012, which is divided into two phases, 2007 ~ 2015 and 2016 ~ 2021. In this National Development Strategy as well, the priority issue in recent years is the development of small and medium enterprises. In order to achieve this objective, the Mongolian government established the Government Implementation Agency for Small and Medium Enterprises (GIASME). This Project aims for the development of small and medium enterprises, which coincides with the development policies of Mongolia.

JICA’s country assistance program for Mongolia also lists “support for institutional building and human resource development related to its transition to market economy” as one of assistance policies for Mongolia. This Project is defined as the core assistance for the development of human resources for market economy. Hence, its relevance is high.

(2) Effectiveness: High

Mongolia maintains the policies for transition to market economy and support for SMEs. At the same time, other related ministries/agencies and universities provide their cooperation to the management of MOJC through participation in the Joint Coordination Committee (JCC). Moreover, based on the government’s high appreciation of the past performance of the Project, discussions with GIASME were started towards a formal partnership.

The basic business course that has been offered with success in the last decade has been very popular in Mongolia and always receives applications from people who exceed the full number of the course. As to the Japanese language courses, MOJC offers various courses from elementary to advanced, thereby meeting the needs of persons who are interested in Japan or want to study in Japan. The MOJC’s national staff members’ commitments and hard studies to build their capacity contribute to the achievement of the project objectives. Such highly-qualified staff members and strong pro-Japan feelings contribute to the smooth implementation of MOJC activities.

(3) Efficiency: Relatively efficient

The MOJC's staff is properly employed and assigned. During the first phase 36 persons were employed, out of whom 20 persons are still working.

We did not come across with any particularly unnecessary activities. However, as to the business course, it is expected that MOJC will offer higher level courses than the present level to produce more competent business people.

It is planned that the Japanese language courses and mutual understanding promotion activities will be handed over to JF after the completion of the Project. It is expected that the staff members who have been developed under the past assistance will form the core force for expanding and increasing activities further.

The C/P, national staff members, high achievers of the business courses and the members of the Kaizen Association constituted by the ex-participants of business courses (cost sharing), and local teachers are dispatched to a training course in Japan, thereby upgrading the quality of MOJC's business courses and eventually contributing to promoting the sustainable management of MOJC.

The time of dispatching a Japanese expert as the next MOJC director concurred with the time of the Mid-term Review. Subsequently, hence, the recommendations made by the Mid-term Review could be put into practice smoothly, thereby leading to effective implementation of the latter half of the Project activities.

MOJC is conveniently located (in the central part of Ulaanbaatar), which gives an advantage in carrying out various activities. On the other hand, the space is limited, which imposes constraints on increasing revenue and expanding activities towards the financial independence of the Center.

(4) Impact: High impact

Participation in the MOJC activities and the use of the library help cultivate and increase interest in Japan and pro-Japan feelings. There are many persons who have participated in various courses through a word of mouth. This indicates that the courses have earned trust from their participants.

Many ex-participants of the business courses are showing their competency in the enterprises that play central roles in the economic circle. The Kaizen Association, which was founded primarily by the ex-participants of the second batch of the basic business course, works with MOJC and provides follow-up support such as implementing the program to hold a training course in Japan by sharing its costs with JICA. Women account for more than the half of the total participants in the MOJC business courses, whereby the Project enhances the economic empowerment of women through their participation in business.

The Japanese language courses enable MOJC to fulfill the core roles to support, promote and coordinate Japanese language education in Mongolia through the Japanese language education symposiums, regular meetings of the Japanese Language Education Research Society, and speech contests jointly held by MOJC and the Japanese Language Teachers Association.

The non-profit organization called Japanese University Graduated Association of Mongolia (JUGAMO), which was set up by people who had studied in Japan, carries out various events in partnership with the program of Japanese Grant Aid for Human Resources Development Scholarship (JDS project of which office was established in MOJC) managed by the Japan International Cooperation Center (JICE).

(5) Sustainability: The following efforts and problems have been identified.

Management localization has been steadily in progress. The past management system of the Japanese director and the Mongolia deputy director was transferred to a co-director system in June 2011. At the same time, the manager system has been improved: two general managers and a manager to each department were appointed, thereby establishing a system that enables a national staff to manage each course almost independently. The staff is highly capable of, not to mention, designing and monitoring the activity plans, and almost all staff members have acquired a high level of proficiency in the Japanese language.

At present 21 Mongolians are working at MOJC, but C/P is only one person, that is, the deputy director (now the director). NUM itself is a financially independent organization, which is managed basically by tuition fees. Hence, its inputs into MOJC are only the allocation of a university person as the deputy director of MOJC and about 8% (in fiscal 2010) of the total expenditure of MOJC such as electricity and heat.

On the other hand, the efforts to increase revenue and cut expenses have been made since the Mid-term Review in order to achieve financial autonomy. Through such efforts, the revenue that had accounted for 33.82% of the Center's operating cost in fiscal 2009 increased to 46.53% in fiscal 2010, which exceeded the target figure of 40%.

In order to ensure revenue after the end of the Project, it will be necessary to explore further new revenue sources as well as continuing such efforts as have been done until now. Although financial assistance can be expected for the Japanese language courses and mutual understanding promotion programs from the Japan Foundation, an issue will be, in particular, to increase further financial independence in business programs and the administrative section (general affairs). It is essential to strengthen the spending mechanism from the revenue.

It is desirable that all the MOJC courses be managed by local financial resources in the future. However, the development of local lecturers for the business course (basic business

course) has been variable. Therefore, in all likelihood it will be difficult that all the subjects of the course will be taught and guided only by Mongolian lecturers after the completion of the Project. In this fiscal year, that is, in the final year of this Project, it will be necessary to appraise the performance of and the issues to be addressed by each local lecturer and use the results for designing the business courses after the completion of this Project. On the other hand, 56% of the lectures in the Japanese language courses are taught by 9 local lecturers.

The biggest constraint in expanding the MOJC activities in the future will be a shortage of space in the building. With the beginning of assistance by JF, it is anticipated to expand further the Japanese language courses and mutual understanding promotion programs. Hence, it will be needed to explore various possibilities including the use of external facilities.

3-3 Enhancing factors to the manifestation of effects

< Concerning the contents of the plan >

- There are no noteworthy factors with this respect.

< Concerning the implementation process >

- That MOJC has a highly competent staff

One of the elements that various programs implemented by MOJC are highly evaluated by their participants is attributable to a highly competent MOJC staff. In addition to the staff's management capacity, almost all staff members are able to understand the Japanese language, which enables them to communicate smoothly with Japanese experts, thereby contributing to smooth and efficient implementation of the MOJC programs.

- Designing of the business courses

One of the factors that the MOJC's business courses have been highly evaluated lies in their systematic and practical curricula. The training course in Japan (primarily for high achievers) held in coordination with the basic business course raises the motivation of its participants and also the evaluation of business courses.

3-4 Hindering factors to the manifestation of effects

< Concerning the contents of the plan >

- Budgetary measures of the C/P organization

The project's C/P, namely NUM, hardly receives budgets from the national government. That is, it is managed basically by the tuition fees paid by its students. As a result, it was difficult for the University to take budgetary measures for MOJC except for the allocation of a C/P (one person), provision of land, and utilities.

- Status of a juridical person

The articles of association of MOJC stipulated by the order of the president of NUM provide that it is an independent subsidiary organization of NUM, but MOJC has not been registered as a juridical person. Hence, it was faced with some problems: governmental organizations could not remit the fees for the course of their public officials into the MOJC bank account, or the MOJC staff members personally had to take the trouble to pay their social security fees and taxes because they could not be directly deducted from their salaries.

- A shortage of the facility space

MOJC has been faced with the problem that the space of its facilities is not sufficient with the expansion of its programs, thereby being forced to partially limit its activities.

3-5 Conclusions

It is expected that the project objectives will be achieved by the time the Project is completed. MOJC's management system has been improved and capacity building of the staff has been in progress. The business courses have produced a great number of human resources that contribute to a market economy. Japanese language education has also greatly contributed to Japanese language education in Mongolia. In addition, through various mutual understanding promotion programs, the relationship between Japan and Mongolia has been strengthened. Therefore, the Project is going to terminate in January 2012 as scheduled. On the other hand, we propose the following issues in order to improve impact and sustainability towards the end of the Project.

3-6 Recommendations

(1) Issues common to the administrative management and each department of MOJC

During the Project period, the Team advises MOJC to take the following actions:

a. Strengthening the co-director system

The management of MOJC is going to be shifted from Japanese director system to the co-director system either in June or July 2011. This new system needs to be strengthened in order for MOJC to fulfill its role more efficiently and effectively. Also, it is advised to review the co-director system by the end of the Project period.

b. Develop a plan for the new organizational structure towards the introduction of the Japan Foundation's assistance

Japan Foundation (JF) is planning to launch the "JF Language Course" at MOJC next year. In

order for this activity to be successful, the new organizational structure should be considered in close collaboration with JF and JICA.

- c. Further enhancement of the financial sustainability of MOJC and strengthening the spending mechanism

The financial status of MOJC has been gradually improved through various approaches. It is suggested that MOJC continues this undertaking. Moreover, it is also suggested to strengthen the spending mechanism from the revenue.

- d. Strengthening the network with the local Japanese resources

It is advised that MOJC will enhance network with local Japanese resources including branch offices of Japanese companies.

- e. Securing spaces for the activities

As recommended in the Mid-term Review, the limitation of the space is putting a restriction on the expansion of the activities. The Project has been making efforts on how to utilize internal spaces and the external facilities.

(2) Business Courses

- a. The assessment of the local lecturers

Towards the end of the Project period, all local lectures of the business course are needed to be assessed on their knowledge of the specialized field, presentation skills, etc., to see the progress of the capacity building. It is advised that the assessment is made by the JICA short-term experts for the lectures, JICA business management expert, JICA long-term experts and MOJC business manager, along with the lecturer's own assessment.

- b. Develop a plan for the business courses after the Project completion

Based on the outcome of the 10-year business courses and current needs of the prospective Mongolian market, MOJC is suggested to make a plan for the business courses for the post-Project completion.

(3) Japanese Courses and Mutual Understanding Activities

- a. Reexamine the activities and the implementation structure towards the introduction of the JF's assistance

With the dispatch of JF's expert(s), JF is going to reexamine the Japanese courses and the

mutual understanding activities to improve and promote them further. The Japanese course division and mutual understanding division are asked to cooperate with the JF experts in order to upgrade the activities.

3-7 Lessons to be learned

As stated above, Mongolia is a strong pro-Japan country. The rate of Mongolian students studying in Japan to the nation's population is the highest in the world. In the staff of MOJC, there are many persons who have studied in Japan (for many years), particularly among those above the chief. Their deep understanding of Japan, high linguistic abilities, and strong commitments to MOJC are the factors leading to achieving the outputs and the expansion of the Project. All the staff members of MOJC, except for the co-director who is a counterpart (the deputy director in former days), are employed for the project. Thus, it is essential to recruit and keep staff members who have a deep understanding of and sympathy for Japan in order to implement the MOJC programs effectively and efficiently.