

Internal Ex-Post Evaluation for Grant Aid Project

conducted by Dominican Republic office: July,2013

Country Name	The Training Center for Development of Foreign Trade and Investment Project (El Proyecto de creación del centro de capacitación para desarrollo del comercio exterior en la República Dominicana)
Dominican Republic	

I. Project Outline

Project Cost	E/N Grant Limit: 641 million yen	Contract Amount: 628 million yen
E/N Date	August, 2006	
Completion Date	April, 2008	
Implementing Agency	Center for Export and Investment of Dominican Republic (CEI-RD: Centro Exportación e Inversión de la República Dominicana)	
Related Studies	Basic Design Study: December, 2005-July, 2006	
Contracted Agencies	Consultant(s)	Yamashita Sekkei Inc.
	Contractor(s)	Fujita Corporation
	Supplier(s)	Fujita Corporation
Related Projects (if any)	<p><u>Cooperation by Japan</u></p> <ul style="list-style-type: none"> The Project for Reinforcement of Training Center for Development of Foreign Trade and Investment of the Dominican Republic (Technical Cooperation, July 2008-June 2011) Dispatch of senior volunteers (Marketing, Investment Promotion, SMEs, Quality Control and group coordinator) under the Trade and Investment Promotion Program (Total of 13 personnel, 2003-2011) <p><u>Cooperation by Other Donors</u></p> <ul style="list-style-type: none"> Enforcement of Competitiveness Development (Inter-American Development Bank, Grant, 2003-) Trade Management Strengthening Program (Inter-American Development Bank, Grant, 2005-) 	
Background	<p>Since 2000, the Government of Dominican Republic had been focusing trade and investment promotion under the trade liberalization policy. In 2003, the Government of Dominican Republic established CEI-RD to provide consulting and training services for small and medium size firms (SMEs) in order to strengthen their competitiveness in the international market. However, the limited capacity of CEI-RD had difficulty to meet the expanding demand for their services. Therefore, the Government of Dominican Republic requested Japan to support construction of training center in CEI-RD.</p>	
Project Objectives	<p>Outcome</p> <p>To reinforce human resource development for promotion of foreign trade and investment by construction of training center for development of foreign trade and investment in CEI-RD.</p>	
	<p>Outputs</p> <p>Japanese Side</p> <ul style="list-style-type: none"> Construction of the training center: the total floor size of 2,257m², including training rooms, auditorium, multi-purpose hall, business center, meeting rooms, consulting room, and so on Equipment for training course, material development, business center and exhibitions <p>Dominican Republic Side</p> <ul style="list-style-type: none"> Site development Preparation of electricity line, phone line and water pipe Interconnection of servers 	

II. Result of the Evaluation

Summary of the Evaluation
<p>Since the preference treatment of free zone in Dominican Republic was going to be abolished due to the WTO accession, quality improvement and export promotion of domestic products were key issues for domestic industries in order to cope with competition in the international market. Also SMEs which accounted for the majority of industries in the country needed knowledge and knowhow to penetrate into the international market. However, CEI-RD had only limited capacity to provide sufficient trainings and technical services for such domestic industries.</p> <p>The project has partially achieved the objectives of reinforcement of human resource development for promotion of foreign trade and investment by CEI-RD due to the change in function of CEI-RD keeping with the limited budget. As for sustainability, problems have been observed in terms of financial aspects as well as current status of operation and maintenance due to the limited budget for training courses and the limited utilization of some parts of the facilities constructed by the Project.</p> <p>For relevance, the project has been highly relevant with Dominican Republic's development policy, development needs, as well as Japan's ODA policy at the time of both ex-ante and ex-post evaluation. For efficiency, the project period slightly exceeded the plan.</p> <p>In the light of above, this project is evaluated to be unsatisfactory.</p>

1 Relevance
This project has been highly relevant with Dominican Republic's development policies of the National Plan of

Competitiveness (“improvement and development of competitiveness of the country through export and foreign direct investment (FDI) promotion policies”), development needs (“quality improvement of domestic products and expansion of exports), as well as Japan’s ODA policy to Dominican Republic for supporting human resource development for expansion of exports and product development towards international competitiveness at the time of both ex-ante and ex-post evaluation. Therefore, its relevance is high.

2 Effectiveness/Impact

This project has partially achieved its objectives of human resource development for promotion of foreign trade and investment. CEI-RD implemented only 35 training courses with 1,980 participants in 2009 despite of the target of 140 courses with 4,250 participants in total due to the budget limitation of CEI-RD. The number of companies participating the training courses in 2009 was below the target. In terms of incubation and exhibition, the targets have not been achieved completely; however, the indicator on the number of participants has achieved the target. It is because of the change in scope of the training center constructed by the Project at the time of mid-term review for the JICA’s technical cooperation project to enhance capacity of the training center. The function of “incubation” had been eliminated while CEI-RD introduced “the acceleration process” for the companies with enough conditions and interests in export business because the acceleration service requires less budget and less technical assistance than incubation. Also, the activities of the training center focused on technical supports, including development of manuals, for trade fairs and events for export promotion of domestic companies organized by CEI-RD.

On the other hand, according to the participants, although the number of the training courses implemented by the training center had been limited, they were able to increase their knowledge about export process including regulations and planning. In addition, as a result of the training courses, the companies increased their sales or profits. Also, the number of export companies and the number of export items, including non-traditional goods have been increasing through the information provided to foreign investors by CEI-RD.

In this way, positive impacts were somewhat observed but the numbers of training courses and the participants of training courses were far below the target. Therefore, effectiveness/impact of this project is low.

Quantitative Effects

	Actual (2005, BD)	Target (2009)	Actual (2009)	Actual (2012) (Ex-post evaluation)
Indicator 1: The number of training courses (annual) ¹	(Actual) 74 courses	(Plan) 140 courses	(Actual) 35 courses	(Actual) 34 courses
Indicator 2: The number of participants of training courses (annual)	(Actual) 1,831 participants	(Plan) 4,250 participants	(Actual) 1,980 participants	(Actual) 1,859 participants
Indicator 3: Entrepreneur support (incubation)	(Actual) N.A.	(Plan) 60 person	(Actual) 2 pilot project with 2 companies started. Creation of website for the center	
Indicator 4: The number of items for permanent exhibitions at CEI-RD	(Actual) N.A.	(Plan) Approximately 470 items in total	(Actual) No permanent exhibition	
Indicator 5: The number of exhibitions, events and lectures	(Actual) 17 times	(Plan) 34 times a year with 5,640 participants	(Actual) 5 exhibitions held for the period from 2009 to 2012 with over 10,000 participants	
Indicator 6: The number of export companies participating the training courses	(Actual) N.A.	(Plan) 1,600 companies or 70% of the target export companies of 2,278	(Actual) 618 companies	(Actual) 594 companies

(Source) CEI-RD

¹The target number for the training courses and participants were set for courses conducted by CEI-RD (Basic Design Report Japanese Version 18-19 pages). Therefore the actual numbers of the courses conducted by CEI-RD were collected at the time of ex-post evaluation. These figures do not include the numbers of the training courses conducted by others who rented CEI-RD facilities. CEI-RD rented out its facilities for 151 courses (6,517 participants) in 2009 and 315 courses (10,510 participants) in 2012 (This footnote is added in October 2014).



Exterior of the Center



Auditorium in the Center

3 Efficiency

Although the project cost was within the plan (99% against plan), the project period slightly exceeded the plan (105% against plan) because of suspension of construction work related to construction of the subway system. The outputs were mostly as planned. Therefore, efficiency of this project is fair.

4 Sustainability

The training center constructed by the project are operated and maintained by CEI-RD. Despite the new management and the changes of scope of the training center, it is assured that the training center should continue their programs. Under the manager, 12 professional technicians and 5 support staff are assigned for the maintenance of the facility. The maintenance staffs have enough technical level and they have trainings by the Maintenance Department. The annual budget of CEI-RD in 2011 was 91 million RD. It is not enough for the activities of CEI-RD, including the trainings at the training center as well as continuation of CEI-RD itself. Therefore, CEI-RD started to rent the facilities of the training center, including training rooms and auditorium, experimentally in order to gain own revenue source. Also, CEI-RD charged participants of some training courses in order to cover the costs. The current status of the training center is good conditions so far because of proper daily maintenance. However, some parts of the training center, including the business center, consulting room, multi-purpose hall, have been limitedly utilized because of the change in the scope of the training center.

The Project has problems in financial aspects as well as the current status of operation and maintenance due to the issues mentioned above. Therefore, sustainability of this project is fair.

III. Recommendations & Lessons Learned

Recommendations for Implementing agency :

Since the budget constraints limit the development of the training center, it is necessary to gain revenue from the center's activities, such as charging system for the training courses. Also it is recommended to elaborate strategy to promote the use of the training center under alliance with the governmental and private institutions related to foreign trade. Alliance with academic institutions, including universities, is another option to increase opportunities to utilize the training center through implementation of training courses linked trade development.

Lessons learned for JICA :

It is necessary to carefully assess the institutional capacity of the implementing agency, including financial resource and functions in order to sustainably operate and maintain the facilities developed by the Project at the planning stage. According to the capacity assessment, the focus of the Project is needed to be more specified.