

Country Name		Lao-Japan Human Resource Cooperation Center (Phase 2)													
Lao People's Democratic Republic															
I. Project Outline															
Background	<p>Since 1986, it has been a priority issue for Lao P. D. R. to carry out economic reform for the transition to a market economy and develop human resources to address this issue. In 1995, the National University of Laos (NUOL) was founded, and the Faculty of Economic and Business Management (FEBM) began to develop qualified human resources. Meanwhile, the idea to establish the Japan Center² as the base for training the practitioners who promote market-oriented economic reform and realize “aid with a Japanese flag” in Asian and former Soviet Union countries on the road to a market economy came about. In Laos, the Government of Lao and the Government of Japan agreed on Japanese technical assistance for FEBM of NUOL and establishment of the Lao-Japan Human Resource Cooperation Center (LJC) in 1998. Succeeding the “Project for the Lao Japan Human Resource Cooperation Center” (September 2000 to August 2005, hereinafter referred to as “Phase 1”), the project was commenced.</p> <p>After the project's completion, the following projects were implemented: “Project for the Capacity Development of Business Persons through Laos-Japan Human Resource Development Institute” (September 2010 to August 2014, hereinafter referred to as “Phase 3”) and “Project on Capacity Building for Supporting Private Sector Development and Japanese Investment in Lao P. D. R. through LJI of NUOL” (September 2014 to August 2019, hereinafter referred to as “Phase 4”). The facility of LJC is located at NUOL, which was completed in March 2001 through grant aid project “the Project for Construction of Facility and the Lao-Japan Human Resource Cooperation Center in the National University of Laos”.</p>														
	<p>By capacity building of LJC management and implementing the business courses, Japanese language course and mutual understanding programs³, the project aimed at developing the human resources in the business sector and promoting mutual understanding between Laos and Japan, thereby contributing to develop the base for training the business persons and promoting mutual understanding at LJC.</p> <p>1. Overall Goal: 1) LJC will perform the core function of human resource development in the field of business area for market-oriented economic reform of Lao P. D. R. 2) LJC will be utilized as the key place for mutual understanding between the people in Lao P. D. R. and Japan.</p> <p>2. Project Purpose: 1) LJC will provide service to enhance human resource development for the market-oriented economic reform of Lao P. D. R. 2) The information and opportunities to participate in activities for mutual understanding are provided for people of both countries by the Center.</p> <p>Note: LJC was renamed as Laos Japan Human Resource Development Institute (LJI) in 2010. “LJI” is used in this evaluation report.</p>														
Objectives of the Project	<p>1. Overall Goal: 1) LJC will perform the core function of human resource development in the field of business area for market-oriented economic reform of Lao P. D. R. 2) LJC will be utilized as the key place for mutual understanding between the people in Lao P. D. R. and Japan.</p> <p>2. Project Purpose: 1) LJC will provide service to enhance human resource development for the market-oriented economic reform of Lao P. D. R. 2) The information and opportunities to participate in activities for mutual understanding are provided for people of both countries by the Center.</p> <p>Note: LJC was renamed as Laos Japan Human Resource Development Institute (LJI) in 2010. “LJI” is used in this evaluation report.</p>														
Activities of the project	<p>1. Project site: Vientiane 2. Main activities: Training of LJI staff for strengthening the organizational structure, provision of the business and Japanese language courses, implementation of the activities for promoting the mutual understanding, etc. 3. Inputs (to carry out above activities)</p> <table border="0"> <tr> <td>Japanese Side</td> <td>Laotian Side</td> </tr> <tr> <td>1) Experts: 45 persons</td> <td>1) Staff allocated: 16 persons</td> </tr> <tr> <td>2) Trainees received: 27 persons (Japan) and 5 persons (third country)</td> <td>2) Employment of LJI: staff 26 persons</td> </tr> <tr> <td>3) Equipment: PC, materials for the programs related to Japanese language and mutual understanding.</td> <td>3) Land and equipment: Land for LJI, parking area</td> </tr> <tr> <td>4) Local operation cost</td> <td>4) Operation cost (electricity, communication fees, etc.)</td> </tr> </table>					Japanese Side	Laotian Side	1) Experts: 45 persons	1) Staff allocated: 16 persons	2) Trainees received: 27 persons (Japan) and 5 persons (third country)	2) Employment of LJI: staff 26 persons	3) Equipment: PC, materials for the programs related to Japanese language and mutual understanding.	3) Land and equipment: Land for LJI, parking area	4) Local operation cost	4) Operation cost (electricity, communication fees, etc.)
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Ex-Ante Evaluation	2005	Project Period	September 2005 to August 2010	Project Cost	(ex-ante) 530 million yen (actual) 608 million yen										
Implementing Agency	Ministry of Education, National University of Laos (NUOL)														
Cooperation Agency in Japan	Japanese language course: The Japan Foundation Business course: Panasonic Excel International Co., Ltd. (Current Relo Panasonic Excel International Co., Ltd.)														

¹ As FY2015 external ex-post evaluation, 11 projects related to the Japan Center (technical cooperation projects) in eight countries including the project were evaluated together. This aimed at not only ex-post evaluation of individual projects, but also comprehensive analysis of these projects, in order to draw comprehensive and versatile lessons to further improve the Japan Center projects. Since the project cost was less than 1 billion yen, the ex-post evaluation was conducted in accordance with the internal evaluation method with the simplified field survey, and therefore, the report format for the internal evaluation was used.

² At the time of the ex-post evaluation, 10 Japan Centers were established in nine countries: Southeast Asia (Cambodia, Vietnam (Hanoi and Ho Chi Minh), Myanmar and Laos), East and Central Asia (Mongol, Uzbekistan, Kazakhstan and Kyrgyz) and Ukraine.

³ Mutual understanding programs included showing Japanese movies, introducing Japanese culture such calligraphy, tea ceremony, dance and Japanese cuisines and introducing Laotian traditional culture. Also, job fairs and overseas education fairs were conducted to respond the interests in getting jobs with Japanese companies or studying in Japan, in collaboration with Japanese related organizations.

II. Result of the Evaluation

< Special perspectives considered in the evaluation of Effectiveness/Impact >

- There are some indicators of the Project Purpose and Overall Goal which are indicators to show activity achievement or overlap with each other, which makes achievement confirmation difficult. Without quantitative target in indicators, it was not possible to sufficiently verify the achievement against the plan, which is the basic principle in JICA evaluation. Hence, when some improvement was confirmed at the time of the ex-post evaluation by comparing the situations during the project period, it was positively evaluated as an achievement.

1 Relevance

<Consistency with the Development Policy of Laos at the time of Ex-ante Evaluation and Project Completion>

The National Socio-Economic Development Plan (NSED) (2005-2010), which was effective at both ex-ante evaluation and project completion, prioritized the securement of sustainable economic growth and the promotion of human resource development in every area. Thus, the project objectives (human resource development for a market-oriented economy) were consistent with Laotian development policies.

<Consistency with the Development Needs of Laos at the time of Ex-ante Evaluation and Project Completion >

In Laos, it was urgent to further activate the business activities and train advanced business persons to compete with neighboring countries before the establishment of the ASEAN community⁴, which had been agreed upon by ASEAN member countries in 2003. The company personnel and managers of small and medium-sized enterprises (SME) required the acquisition of practical knowledge and know-how of the market-oriented economy. Regarding Japanese language education, the number of learners was increasing at the time of the ex-ante evaluation, and training of the teachers and excellent course content was necessary. Also, LJI was expected to be a base for cultural exchange.

<Consistency with Japan's ODA Policy at the time of Ex-ante Evaluation>

Based on the policy dialogue in 1998, one of the prioritized areas was human resource development. The priority was human resource development for promotion of market-oriented economic reform, strengthening of administrative functions, support related to basic human needs, agricultural development, infrastructure development, and so on, and the assistance objectives included not only the capacity development of the public officers but also the private sector personnel. Additionally, in JICA's Country Assistance Plan for Laos in 2004, one prioritized area was the activation of the private sector, indicating that the base of the private sector had not been developed to cope with the drastically changing external environment.

<Evaluation Result>

In light of the above, the relevance of the project is high.

2 Effectiveness/Impact

<Status of Achievement for the Project Purpose at the time of Project Completion>

The project objective (provision of the services related to the training of businesspeople and information and opportunities for mutual understanding) has been achieved. LJI provided many business courses, Japanese language courses and activities for mutual understanding throughout the project period. With regard to the business courses, it is noteworthy that the MBA course⁵ was established from 2008 based on the advanced business courses and that LJI started the service of business diagnosis by visiting companies directly. Both the course participants and companies who received the services answered that they were satisfied with the services. The total number of the visitors to the library exceeded 210,000.

<Continuation Status of Project Effects at the time of Ex-post Evaluation>

LJI has mostly continued the provision of these services related to the training of businesspeople and information and opportunities for mutual understanding. In particular, regarding the business program among the three principal programs, LJI has provided MBA courses that have applicants more than twice as the enrollment quota, business courses⁶ and customized courses upon the request of the enterprises. The number of those who completed these courses from 2011 to 2014 varied from 700 to 1,000. The reason why the number of those who completed the regular business courses in 2015 decreased compared to the previous year is that, according to LJI, the courses provided the same content every year, which caused a decreased number of potential applicants. Also, the number of site consultations has been on a decreasing trend because they have been subject to fees since 2015. The number of those who completed the Japanese language courses⁷ from 2011 to 2014 varied from 200 to 400. On the other hand, the activities to promote mutual understanding have been implemented on a smaller scale, with the number of the events and participants falling to half that from 2011. This is because events for introducing Laotian and Japanese culture that had been implemented before are not currently being conducted. The number of the visitors to LJI depends heavily on each year, as influenced by the event contents. The number of the visitors to the library decreased by half from 2011 because the library was set up at each faculty of NUOL.

<Status of Achievement for Overall Goal at the time of Ex-post Evaluation>

The Overall Goal has been partially achieved. According to the interview with the beneficiaries at the ex-post evaluation with those who completed the business course and MBA courses during the project period, 11 of 14 and 13 of 13 answered that "their work performance has improved," respectively. Additionally, 10 of 14 and 10 of 13 "got promoted or the salary increased," and 12 of 14 and 13 of 13 answered that "they contributed to their organization," respectively. In the companies to which the course participants belong, words such as "5S"⁸, "kaizen"⁹ and "muda (waste or uselessness)" have become common as words commonly used among SMEs in Vientiane.

⁴ Originally, the ASEAN community had been expected to be established by 2020, but actually established in 2015, earlier than planned.

⁵ A two-year evening course for the business persons (not students) operated by LJI jointly with the Faculty of Economics and Business Management of NUOL. One of its appealing points is "Japanese style management," and Japanese lecturers give lectures based on field experience, such as business planning and marketing. It is highly evaluated, as it corresponds to the participants' needs and the lectures provide the latest information about each theme in an interactive way.

⁶ Regular business courses are provided as short-term courses. The themes include business plans, practical marketing, business communication, etc.

⁷ Japanese language courses were provided as part of the JICA technical cooperation project with support from the Japan Foundation until August 2012. Since October 2012, they have been conducted mainly with support from the Japan Foundation.

⁸ 5S is a method for improving rationality and efficiency by practicing sorting, setting in order, standardizing, shining and sustaining the discipline.

⁹ Kaizen is a series of activities for reviewing work at production sites. Workers at the sites actively discuss measures for improvement and address the issues to improve productivity and secure safety. The concept applies not only to the manufacturing industry but also to the service industry.

Regarding the number of the private companies that started the business with overseas companies set as an indicator, one case was confirmed at the ex-post evaluation survey. Among the 18 persons interviewed who completed the Japanese language course, five became Japanese teachers, and six went to Japan to study. Additionally, 16 of these and 13 of the 15 persons interviewed who participated in the mutual understanding activities answered that “they improved their impression toward Japan and Japanese culture.” Thus, by participating in LJI’s courses and mutual understanding events, business people’s capacity building and mutual understanding have been promoted to some extent. However, the indicators of the Overall Goal included the “number of member companies of the Chamber of Commerce” and “percentage of Vientiane citizens recognizing LJC” but were not influenced by the project activities.

<Other Impacts at the time of Ex-post Evaluation>

First, there are various impacts attributing to the upgrade of LJI from a center attached to NUOL to an institute equivalent to the department in 2008. For example, LJI’s MBA course became a degree course. Also, LJI has begun to conduct research activities with the approved budget granted by NUOL as a research subsidy and worked with other educational institutions and private sector to give feedback with practical knowledge and cases to its own courses. Besides, LJI has tie-up contracts with the Lao National Chamber of Commerce and Industry and universities in Japan and Thailand, conducts joint training with the Lao Institute of Banking, and implements MBA study tours together with a university in Thailand. Second, positive impacts have been observed in Japanese language education. LJI supported Savannakhet University to establish Japanese language course. The university started Japanese language courses in January 2014, which contributed to an increase in Japanese language learners in the province. The university has a plan to set up a faculty of Japanese language in 2016. In Laos, the education of a second foreign language, including Japanese, was introduced in 2010. In addition, LJI personnel visit primary and secondary schools in Vientiane to introduce the Japanese language and culture and receive students for summer courses. Third, a network of businesspeople has been built with participation of the MBA course graduates. They organized an “alumni association” in October 2011 and hold a general assembly biannually to exchange information and report the training in Japan. Less than half of the graduates participate in this network, according to the interview survey.

<Evaluation Result>

In light of the above, the project’s purpose has been achieved, and its effects have mostly continued. LJI’s implementation structure for the three programs for capacity building of businesspeople, Japanese language education and the promotion of mutual understanding has been developed, but at the time of the ex-post evaluation, it was confirmed that the mutual understanding program has been scaled down even though the business courses and Japanese language courses have continued. As for the capacity building of business persons, various positive impacts have been observed and are attributed to LJI upgrading to an institute. Therefore, the effectiveness/impact of the project are high.

Achievement of project purpose and overall goal

Aim	Indicators	Results																																										
(Project Purpose) 1) LJC will provide service to enhance human resource development for the market-oriented economic reform of Lao P. D. R. 2) The information and opportunities to participate in activities for mutual understanding are provided for people of both countries by the Center.	1. No. of the participants in the services of the Business Programs of LJC	(Project Completion) Achieved. Table: Number of the participants in the business courses and MBA courses <table border="1"> <thead> <tr> <th></th> <th>2005</th> <th>2006</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Business courses</td> <td>1,123</td> <td>695</td> <td>251</td> <td>263</td> <td>477</td> <td>2,809</td> </tr> <tr> <td>MBA courses</td> <td></td> <td></td> <td></td> <td>35</td> <td>35</td> <td>70</td> </tr> </tbody> </table> Note: The years are the fiscal years of LJI (April to March), and the total number does not strictly show the achievements of the project period. - 54 on-site consultations for the companies were provided by 2010. (Ex-post Evaluation) Continued. - Besides the regular business courses and MBA courses, three customized courses for the private companies have been annually implemented since 2012. - MBA courses have been provided each year since 2010 (participant quota: 35). Table: Number of the participants in the business courses and MBA courses <table border="1"> <thead> <tr> <th></th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Business courses</td> <td>622</td> <td>808</td> <td>835</td> <td>723</td> <td>990</td> <td>474</td> </tr> <tr> <td>MBA courses</td> <td>35</td> <td>31</td> <td>29</td> <td>31</td> <td>31</td> <td>29</td> </tr> </tbody> </table> Note: The years are the fiscal years of LJI (April to March). - Thirty-seven on-site consultations were conducted from 2011 to 2015. The number of the consultations has been on a decreasing trend. - More than 10,000 participants completed business courses from Phase 1 till 2015. If participants in the seminars are included, this number is more than 13,000 persons. 256 have completed an MBA course.		2005	2006	2007	2008	2009	Total	Business courses	1,123	695	251	263	477	2,809	MBA courses				35	35	70		2010	2011	2012	2013	2014	2015	Business courses	622	808	835	723	990	474	MBA courses	35	31	29	31	31	29
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2. % of the participants who are satisfied with the services of the business programs of LJC	(Project Completion) Achieved. - A total of 88% and 84% of the participants answered that they were satisfied with the MBA and business courses of the project (September 2005 to August 2010), respectively (survey conducted by the Terminal Evaluation Team). - All companies were very satisfied with the on-site consultations. (Ex-post Evaluation) Continued. - A total of 89% and 84% of participants answered that they were satisfied with the MBA course and business courses of Phase 3 (September 2010 to August 2014), respectively (survey conducted by LJI). - The participants of the MBA course in 2015 and 2016 rated the lecturers at 86 and 89, respectively. The satisfaction survey was not conducted for the business course.																																											
3. No. of the participants in the services of the mutual understanding program of LJC (including the use of the facility)	(Project Completion) Achieved. Table: Number of the participants in the Japanese language courses and mutual understanding programs <table border="1"> <thead> <tr> <th></th> <th>2005</th> <th>2006</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Japanese language course</td> <td>537</td> <td>493</td> <td>341</td> <td>438</td> <td>515</td> <td>2,324</td> </tr> <tr> <td>Mutual understanding program</td> <td>1,940</td> <td>2,862</td> <td>9,011</td> <td>11,292</td> <td>3,545</td> <td>28,650</td> </tr> </tbody> </table> Note: The years are the fiscal years of LJI (April to March), and the total number does not strictly show		2005	2006	2007	2008	2009	Total	Japanese language course	537	493	341	438	515	2,324	Mutual understanding program	1,940	2,862	9,011	11,292	3,545	28,650																						
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	4. % of the participants who are satisfied with the services of the mutual understanding program of LJC	<p>(Project Completion) Achieved.</p> <ul style="list-style-type: none"> - More than 90% of the participants of the Japanese language course in 2005 and 2006 answered that they were satisfied with the course content, material and lecturers (survey conducted by the Japan Foundation). The data from 2007 to 2009 were not available. - Though there was no satisfaction survey on the mutual understanding program, the terminal evaluation mentioned that the participants appreciated all activities including the cultural presentation and students exchange. <p>(Ex-post Evaluation) Partially continued.</p> <ul style="list-style-type: none"> - A total of 71.4% and 43.8% of participants was satisfied with the teaching method in the Japanese language course in 2012 and 2015, respectively. A total of 38.9% and 73.8% self-evaluated that they improved their Japanese skills in 2012 and 2015, respectively. - The information on the satisfaction of the mutual understanding programs was not available. 																					
	5. No. of visitors of LJC	<p>(Project Completion) Achieved.</p> <ul style="list-style-type: none"> - The number of visitors to LJI from 2005 to 2010 was 1,123. NUOL students used the facility almost every day. - The total number of the visitors to the library for five years (until January 2010) was 210,728. <p>(Ex-post Evaluation) Partially continued, but the number of the library users has been decreasing.</p> <ul style="list-style-type: none"> - The numbers of the visitors to LJI was 506 (2011), 472 (2012), 1,841 (2013), 2,443 (2014) and 285 (2015). - The number of the visitors to the library was 33,601 in 2011 and decreased every year to 18,175 in 2015. 																					
	6. No. of membership issued at LJC in a year	<p>(Project Completion) Achieved.</p> <ul style="list-style-type: none"> - The number of the issued membership from 2005 to 2010 was 5,500. <p>(Ex-post Evaluation) Partially continued, but drastically decreasing.</p> <ul style="list-style-type: none"> - The number of the issued membership was 588 in 2011, which has been decreasing every year to 111 in 2015. 																					
<p>(Overall goal)</p> <p>1) LJC will perform the core function of human resource development in the field of business area for market-oriented economic reform of Lao P. D. R.</p> <p>2) LJC will be utilized as the key place for mutual understanding between the people in Lao P. D. R. and Japan.</p>	1. No. of private companies in Vientiane recognizing LJC	<p>(Ex-post Evaluation) Partially achieved.</p> <ul style="list-style-type: none"> - LJI is acknowledged by approximately the half of the enterprises in Vientiane through LJI's PR activities and information sharing (interview with Lao National Chamber of Commerce and Industry: LNCCI). 																					
	2. No. of member companies of Chamber of Commerce	<p>(Ex-post Evaluation) Not achieved.</p> <ul style="list-style-type: none"> - The number of member companies of LNCCI was 277 at the time of the project completion. Since then, the number has annually increased by 20-47, which was 518 at the time of the ex-post evaluation. The increase was not influenced by LJI services (interview with LNCCI). 																					
	3. No. of participants of the business program of LJC who became entrepreneurs	<p>(Ex-post Evaluation) Partially achieved.</p> <ul style="list-style-type: none"> - The business program does not target those who want to start a business. - According to the ex-post evaluation survey, three of the 13 interviewed persons who completed the business course and four of the 13 interviewed persons who completed the MBA course became entrepreneurs, respectively. 																					
	4. No. of the private companies which started the business with the overseas companies after participating in the business program of LJC	<p>(Ex-post Evaluation) Partially achieved.</p> <ul style="list-style-type: none"> - It was confirmed from the interview conducted at the ex-post evaluation that one person who had completed the business course started a business importing used vehicles from Japan and that a few have plan to or are willing to expand their business overseas in the future. 																					
	5. No. of Lao private companies improving working efficiency and ethics after participating in the business program of LJC	<p>(Ex-post Evaluation) Achieved.</p> <ul style="list-style-type: none"> - Phrases including "5S, kaizen and muda" are used as common business words among those engaged in SME in Vientiane, and concrete results such as improvement of customer management were reported (interview with LJI). - According to the ex-post evaluation survey, 11 of the 14 persons interviewed who had completed the business course and 13 of the 13 persons interviewed who had completed the MBA course answered that "their work performance improved." Also, two of the two employers interviewed who had sent their staff to the business course answered that "the staff improved their work and contributed to the company." 																					
	6. No. of students learning in Japan	<p>(Ex-post Evaluation) Not achieved.</p> <ul style="list-style-type: none"> - The number of students leaning in Japan was 281 in 2010, which slightly decreased to 214 in 2015. - Among those who completed the Japanese language course during the project period, 6 went to Japan for study, as far as LJI knows. 																					

7. Level of mutual understanding	(Ex-post Evaluation) Partially achieved. - According to the ex-post evaluation survey, 88% of the interviewed persons who had completed the Japanese language course and 87% of the persons who had participated in mutual understanding activities answered that they improved the impression of Japan and Japanese culture. - No data were available on the Japanese participants' understanding level.
8. % of the sampling number of Vientiane citizens recognizing LJC	(Ex-post Evaluation) Not achieved. - The data were not available. The main target of LJI activities for mutual understanding is the students of NUOL but not general citizens. - Students of nearby high schools participated in the mutual understanding activities. Also, LJI provides outreach activities to introduce Japanese language and culture to elementary and junior high schools.
9. No. of participants of the Japanese language course of who became Japanese teachers	(Ex-post Evaluation) Achieved. - According to the ex-post evaluation survey, 5 of the 18 interviewed persons who completed the Japanese language course (including 13 from the intermediate course) became Japanese teachers.

Source: LJI, Japan Foundation, Beneficiary survey, Documents provided by JICA, Terminal Evaluation Report, and Japan Student Services Organization.

Note: Indicators 3, 4, 5 and 9 of the Overall Goal had been originally set as those for the Project Purpose. However, they are the indicators to verify the changes brought by the services of LJI, and therefore they are used for verification of the Overall Goal at the ex-post evaluation.

3 Efficiency

The project period was as planned, but the project cost exceeded the plan because more short-term experts were dispatched than planned (ratio against the plan: 100% and 115%, respectively). Therefore, the efficiency of the project is fair.

4 Sustainability

<Policy Aspect>

The importance of human resource development for industrialization and modernization is described in the 7th NSEDP (2011–2015). The draft of the 8th NSEDP (2016–2020) mentions that the needs for socioeconomic development, including human resource development of SMEs for the economic integration of ASEAN and accession to the World Trade Organization, have not been met and sees capacity building as an important issue.

<Institutional Aspect>

As explained earlier, LJC was upgraded to the institute of NUOL, and the staff became civil servants, which contributed to the stability of employment. Laotian staff of LJI are a director, four sub-directors, 13 personnel in the Personnel and General Affair Section, eight in the Business Section, seven in the Japanese Language Section and five in the Mutual Understanding Section and Library. The number of the personnel is sufficient to provide business courses, including MBA and Japanese language courses. Regarding the business courses, most of the theory lectures are given by Laotian lecturers. On the Japanese side, there are two long-term JICA experts (Chief Advisor and Project Coordinator) dispatched to Phase 4, which is currently being implemented (September 2014 to August 2019), several consultants in charge of the business course operation and lectures, two experts from the Japan Foundation and two Japanese language teachers employed by the Laotian side. As mentioned in the effectiveness/impact section, the upgrading of LJI has brought various advantages to LJI, such as business expansion. As for the activities for promoting mutual understanding, these are limited to those related to Japanese language education. However, LJI expects other activities to be implemented with the budget from Japan, including cultural exchange. The policy and structure on the mutual understanding activities are not clearly defined.

<Technical Aspect>

LJI personnel has knowledge and skills for the lectures to a great extent, as the lectures of the business courses are given by mostly Laotian lecturers and the curriculum of the MBA course is developed using the initiatives of Laotian personnel. This is because they have had opportunities to gain practical knowledge and skills while working as the counterpart personnel of the Japanese lecturers from Phase 1 until the time of the ex-post evaluation when Phase 4 is implemented. Additionally, because LJI was upgraded to an institute to provide the MBA course as a degree program, LJI became able to recruit excellent lecturers especially for the business courses. Also, for the lecturers' capacity building, they are encouraged to improve their skills by participating in training. LJI provides its staff with support to take the MBA course. Laotian lecturers are engaged in 79% of the lecturer time for the business courses in 2014. More Laotian than Japanese lecturers are responsible for the theory part, whereas the Japanese give lectures based on field experience, such as business planning and marketing. Laotian lecturers in the Japanese language courses have sufficient knowledge and skills according to the Japan Foundation experts. There are seven of them, and three have master's degrees from universities in Japan (one is taking the course); the other four have had Japanese language training in Japan or another country.

<Financial Aspect>

The budget allocation from NUOL to LJI has drastically increased since 2010 because the salaries of LJI staff who became civil servants were added into the budget after LJI was upgraded to an institute. Also, LJI's income from tuition and user fees increased by 160% by 2014 (16,957 million yen in 2010 to 27,419 in 2014). This increase is attributed to the increase in income from MBA courses, commission fees (language training for JOCV and so on) and income from customized courses. The difference after deducting the expenditure from LJI's income has been calculated for the

Table: Revenue and expenditure of LJI (thousand yen)

	2010	2011	2012	2013	2014
LJI self-generated income	16,957	17,077	19,713	20,990	27,419
(Income from the business course)	(10,694)	(9,887)	(4,882)	(17,358)	(16,878)
(Income from the Japanese course)	(1,323)	(935)	(944)	(1,728)	(3,305)
(Other incomes)	(4,940)	(6,255)	(13,887)	(1,904)	(7,236)
Allocation from NUOL	3,259	4,832	12,032	14,760	13,314
JICA local operation cost	12,539	12,670	10,719	10,624	9,678
Others	NA	NA	3,780	6,193	6,223
Total of the revenue	32,755	34,579	46,244	52,567	56,634
Total of the expenditure	30,906	32,410	43,242	51,309	52,098
(Expenditure from LJI self-generated income and allocation from NUOL)	(18,366)	(19,739)	(28,742)	(34,492)	(36,195)
Balance	1,849	2,169	3,002	1,258	4,536

(Source) Documents provided by JICA.

Note: Years are the fiscal years (April to March). Above figures are rounded down to the nearest thousand, and some figures do not add up.

fund for facility maintenance. The accumulated fund in 2014 was 4.536 million yen, and the sum of the funds accumulated by 2014 was 18.902 million yen. Most of the differences come from the MBA course (15.068 million yen (1,076.273 million kip)¹⁰). The percentage of the Laotian side's share in the total expenditure for LJI operation has increased (59% in 2010 to 69% in 2014)¹¹, while the percentage of JICA local operation cost has decreased (41% in 2010 to 19% in 2014). An issue is that the budget is not sufficiently allocated for the programs for the promotion of mutual understanding because the policy and structure is not very clearly defined.

<Evaluation Result>

In light of the above, some problems have been observed in terms of the institutional and financial aspects of the implementing agency. Therefore, the sustainability of the project effects is fair.

5 Summary of the Evaluation

The Project Purpose has been achieved, and its effects have mostly continued. In other words, LJI's implementation structure for the three programs for (i) capacity building of the business persons, (ii) Japanese language education and (iii) the promotion of mutual understanding has been developed. Business and Japanese language courses have continued up until the time of the ex-post evaluation. Regarding the capacity building of business persons, various positive impacts have been confirmed, such as MBA courses as a degree program due to LJI's upgrade to being an institute. On the other hand, the number of the events and participants in mutual understanding activities has been on a decreasing trend. The policy and structure for the mutual understanding program is not clear, and therefore, the budget allocation for the program is not sufficient. With regard to efficiency, the project cost exceeded the plan because more short-term experts were dispatched than planned.

Considering all of the above points, this project is evaluated to be satisfactory.

III. Recommendations & Lessons Learned

Recommendations for Implementing agency:

- It is recommended for LJI to clearly define the policy for the mutual understanding program and roles of LJI and the Japan Foundation (and JICA) and develop an action plan including not only Japanese language education but also cultural exchange events so that LJI can continue its three main programs for (i) capacity building of the business persons, (ii) Japanese language education and (iii) promotion of mutual understanding. The budget for the mutual understanding program may be drawn from part of the revenues from LJI courses.
- The percentage of the Laotian side's share in the total expenditure for LJI operation has steadily increased. As a mid-term plan for the next few years, it is indispensable to clarify how much portion should be borne by LJI (including the allocation from NUOL), JICA and the Japan Foundation, and to share common perceptions among the three actors. It is recommended that LJI play a leading role, with support from the Japanese side, to develop the policy for the overall management of its major three programs and make budget plans.

Lesson learned for JICA:

- During the project period, LJI was upgraded to an institute equivalent to the department of NUOL, which enabled LJI to provide MBA courses as a degree program. Also, this upgrade has produced benefits for LJI, including giving its staff civil servants status (stabilized employment), business expansion through collaboration with outside organizations, utilization of university subsidies, and so on. In the projects planning to establish a new institution (LJI in the case of the project) with the university as a counterpart organization, it is necessary to ensure the sustainability of this institution after support has been completed. When the counterpart organization aims to be a sustainable organization as an institution of the university, like LJI, the project is expected to promote the upgrade of the organizational status by strengthening the course quality that matches a degree program and conducting or encouraging discussion with the university and the Ministry of Education.



(Building of LJI)



(MBA course graduates)

¹⁰ One Laotian kip was equivalent to 0.014 Japanese yen in March 2015, according to JICA Exchange rate (available at JICA website).

¹¹ If the expenditure from JICA Headquarters (total cost of expert dispatch, training in Japan and equipment provision: 76.823 million yen) is added into the expenditure, the percentage in 2014 was 21%.