

Country Name	<b>Kazakhstan-Japan Center for Human Development (Phase 2)</b>
Republic of Kazakhstan	

## 1. Project Outline

Background	<p>Since the independence of the Republic of Kazakhstan (hereinafter referred to as “Kazakhstan”) in 1991 following the collapse of the Soviet Union, the government of Kazakhstan has implemented a radical economic reform policy and has had to develop the human resources to actively promote a transition to a market economy. Meanwhile, the idea came about of fostering practitioners who promote the transition to the market economy and of establishing the Japan Center<sup>2</sup> in Asian and former Soviet Union countries on the road to a market economy, as a base to realize “aid with a Japanese flag.” In Kazakhstan, which occupies a geopolitically important position, the technical cooperation project of the “Kazakhstan-Japan Center for Human Development” was implemented (from October 2000 to September 2005, hereinafter referred to as “Phase 1”), establishing the Kazakhstan-Japan Center (hereinafter referred to as “KJC”), with the main implementing agency being Kazakh Economic University<sup>3</sup> (hereinafter referred to as “KazEU”). After that, this project (Phase 2) was carried out.</p> <p>In addition to the above, after the completion of this project, the “Project for Enterprise Development through Kazakhstan-Japan Center for Human Development” was executed (from October 2010 to September 2012, hereinafter referred to as “Phase 3”). By the completion of Phase 3, the technical cooperation project by JICA had been terminated<sup>4</sup>.</p>														
Objectives of the Project	<p>By the capacity building of KJC management (including public relations activities) and the implementation of business courses, a Japanese language course and mutual understanding program<sup>5</sup>, the project aimed for KJC to become a base at which to develop the business human resources necessary to engage in the transition to a market economy and to promote mutual understanding between Kazakhstan and Japan.</p> <ol style="list-style-type: none"> <li>Overall goal: <ol style="list-style-type: none"> <li>Human resources responding to the market economy in Kazakhstan will be developed.</li> <li>Mutual understanding between the two countries will be reinforced.</li> </ol> </li> <li>Project Purpose: The role and function of KJC are 1) to contribute to human resources development toward a market economy, and 2) to promote mutual understanding between the people of Kazakhstan and Japan, will be strengthened</li> </ol>														
Activities of the Project	<ol style="list-style-type: none"> <li>Project site<sup>6</sup>: Almaty and Astana</li> <li>Main activities: Training for the staff to strengthen the capacity to operate KJC, the implementation of business course, Japanese language course and mutual understanding program and so on.</li> <li>Inputs (to carry out the above activities) <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Japanese side</td> <td style="width: 50%;">Kazakhstan side</td> </tr> <tr> <td>(1) Experts: 78 experts</td> <td>(1) Staff allocated: 4 persons</td> </tr> <tr> <td>(2) Trainees received in Japan: 39 persons</td> <td>(2) Space necessary for KJC, office for Japanese experts, other equipment necessary for KJC’s activities (area in both universities in Almaty and Astana)</td> </tr> <tr> <td>(3) Equipment: computers, audiovisual equipment, office supplies, equipment for the mutual understanding activities, office furniture, other equipment necessary for KJC</td> <td>(3) Cost for electricity, water, communications, etc.</td> </tr> <tr> <td>(4) Local operation cost</td> <td></td> </tr> </table> </li> </ol>					Japanese side	Kazakhstan side	(1) Experts: 78 experts	(1) Staff allocated: 4 persons	(2) Trainees received in Japan: 39 persons	(2) Space necessary for KJC, office for Japanese experts, other equipment necessary for KJC’s activities (area in both universities in Almaty and Astana)	(3) Equipment: computers, audiovisual equipment, office supplies, equipment for the mutual understanding activities, office furniture, other equipment necessary for KJC	(3) Cost for electricity, water, communications, etc.	(4) Local operation cost	
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Ex-Ante Evaluation	2005	Project Period	October 2005 to September 2010	Project Cost	(ex-ante) 934 million yen (actual) 797 million yen										
Implementing Agency	Ministry of Education and Science, Kazakh Economic University (KazEU) (at Almaty), Kazakh University of Humanities and Laws (at Astana)														

<sup>1</sup> At the 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, a report format for the internal evaluation was used.

<sup>2</sup> 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 (Mongolia, Uzbekistan, Kazakhstan and Kyrgyz) and Ukraine.

<sup>3</sup> KazEU changed its name to “Turar Ryskulov New Economic University” in December 2014 and changed it to “Narxoz University” in April 2016.

<sup>4</sup> After the completion of Phase 3, a short-term expert (for “Quality Management” was sent for roughly two weeks at one time several times a year. In addition to this, since February 2016, a long-term expert (for “Promotion of Small and Medium Enterprises”), sent to the Ministry of National Economy, is responsible for activating the business course of KJC. Besides, the impact and the sustainability of this project was evaluated, including the effects and influences attributed to Phase 3 and support by experts dispatched after that (the strict distinction between the effects by Phase 2, and others (Phase 3 and other experts’ support). Besides, the impact and the sustainability of this project was evaluated, including the effects and influences attributed to Phase 3 and support by experts dispatched after that phase (even though the strict distinction between the effects by Phase 2, and others (Phase 3 and other experts’ support) is difficult).

<sup>5</sup> In mutual understanding programs, mainly cultural activities have been periodically held (such as calligraphy, Japanese flower arrangement, origami, Japanese chess (go), Yosakoi dance, etc.). In addition to these, seasonal social events, such as the Sakura festival or Star Festival, and overseas study fairs have been organized.

<sup>6</sup> During Phase 2, the business course and the Japanese language course were held in Almaty, Astana and other rural cities, and most of the mutual understanding programs were conducted in Almaty. Some of them were in Astana and other rural cities. After the completion of Phase 3, the business course was mainly organized only in Almaty until FY2015, but it resumed again in Astana since FY2016.

Cooperation Agency in Japan	Japanese Language Course: The Japan Foundation <sup>7</sup> Business Course: Unico International Corporation
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## II. Result of the Evaluation

【Special perspectives considered in the evaluation of Effectiveness/Impact】

The indicators of the outputs and the project purpose were duplicated; hence, we adjusted them accordingly to evaluate this project. Moreover, after March 2009, when the numerical targets were set (at the time of mid-term evaluation), the achievement level of the outputs and project purpose were comprehensively judged by these indicators, and quantitative and qualitative effects were also considered.

1	<p><b>Relevance</b></p> <p>【Consistency with the Development Policy of Kazakhstan at the time of ex-ante evaluation and project completion】</p> <p>As a prioritized issue in “Kazakhstan-2030: Prosperity, Security and Ever Growing Welfare of All the Kazakhstanis” (1997), the country aimed to attain economic development to the level of more developed countries in East Asia based on a market economy by 2030 and to foster the human resources that could support this goal. Moreover, in the “Innovative Industrial Development Strategy of the Republic of Kazakhstan for 2003-2015,” the revitalization of manufacture, the development of human resources and the strengthening of small and medium-sized enterprises (SMEs) were set as goals. In this regard, this project was consistent with the development policy of Kazakhstan from ex-ante evaluation to the completion of the project.</p> <p>【Consistency with the Development Needs of Kazakhstan at the time of ex-ante evaluation and project completion】</p> <p>After gaining its independence in 1991, Kazakhstan has accomplished economic growth by implementing a radical economic reform policy. However, its industrial structure was heavily inclined toward mining and manufacturing. In order to correct this distorted situation, the diversification of industry, the promotion of SMEs and the development of the manufacturing industry were set as industrial policies, and there was a great need to enhance human resources that could realize these policies. In particular, as a result of the deteriorating economic situation in 2008, the interest in Japanese-style management, such as “kaizen<sup>8</sup>” increased. Moreover, by the beginning of Phase 2, the younger generation of the wealthy class who had an interest in Japanese culture and language had increased, affected by the popularity of Japanese animation and cartoons. Due to this situation, the need was high for educational institutions to teach the Japanese language. However, at the time of the ex-post evaluation, these interests were set aside by the rise of Korean and Chinese pop culture and working opportunities. In light of the above, this project was consistent with Kazakhstan’s development needs from ex-ante to the completion of the project.</p> <p>【Consistency with Japan’s ODA Policy at the time of ex-ante evaluation】</p> <p>It was confirmed at the “Bilateral Policy Consultation” in November 2002 that Japan will actively support Kazakhstan to overcome its difficulties such as the lack of human resources to introduce the democratization and economic transition to a market economy, the decrepit economic infrastructure and the collapse of the trade system. In addition to this, at “The Central Asia plus Japan” Dialogue in 2004, it was affirmed that the countries would expand their mutual cooperation and cultural exchange and deepen and expand human resources development for economic and social development.</p> <p>【Evaluation Result】</p> <p>In light of the above, the relevance of the project is high.</p>
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2	<p><b>Effectiveness/Impact</b></p> <p>【Status of Achievement for the Project Purpose at the time of Project Completion】</p> <p>The project purpose was mostly achieved. The business course, which mostly continued for 3 to 5 days, implemented diversified courses, such as “Project Management,” “Strategic Management,” “Human Resource Management,” “Financing,” “Financial Analyses and Loan Approval Examination,” “Production and Quality Management,” “Quality Control Circle,” “Logistic Management,” “Environmental Management” and so on. The satisfaction level of the participants in these courses was high. The number of participants varied every year. Until FY2008, almost half of the courses could not fulfill the enrollment quota. Even though, in FY2009, the number of the participants surpassed its quota considerably, in the first half of fiscal year 2010, when the project was completed, the number of participants did not reach the target. The number of participants of the Japanese language course and the mutual understanding course attained the numerical target, and the satisfaction level for the courses was high. On the other hand, the capacity to operate all the courses needs to be improved. The percentage of operation expenditure covered by KJC’s revenue from their activities was 30% at the time of completion of the project, which accomplished the indicator of project purpose.</p> <p>【Continuation Status of Project Effects at the time of Ex-post Evaluation】</p> <p>After the completion of Phase 3, KJC continues three main courses (the business course, Japanese language course and mutual understanding program). The business course has focused on the areas in which KJC can show its strength, and in FY2014, three courses, “Quality and Production Management,” “5S<sup>9</sup> and Kaizen” and “Lean Production and Kaizen” were carried out. At the time of ex-post evaluation, JICA’s short-term experts, such as a Japanese lecturer, are dispatched several times in a year, and they are mainly responsible for the program of “Quality and Production Management” and “5S and Kaizen.” These forms of guidance are practical and based on the abundant experience of Japanese experts in Japanese factories, which greatly satisfy the needs of participants (according to the interviews and answers to the questionnaires to KJC and experts). Meanwhile, the Kazakhstani lecturers, who taught different themes than the Japanese experts, sometimes led to difficulty in fulfilling the enrollment quota. Other than these programs, KJC has started customized seminars and consulting services, provided with Japanese short-term experts and Kazakhstani lecturers, mainly focusing on “kaizen” for specific local companies. These services respond to the needs of specific companies and contribute to the improvement of</p>
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<sup>7</sup> The Japanese language course was provided as part of the JICA technical cooperation project with the support of the Japan Foundation from Phase 1 to Phase 3. At the time of ex-post evaluation, a permanent Japanese coordinator is dispatched from the Japan Foundation.

<sup>8</sup> Kaizen is a series of activities for reviewing work at production sites. Workers at the sites actively discuss measures for improvement and address issues to improve productivity and secure safety. The concept applies not only to the manufacturing industry but also to the service industry.

<sup>9</sup> 5S is a method for improving rationality and efficiency by practicing sorting, setting in order, standardizing, shining and sustaining discipline.

working sites' efficiency. Besides this, Japanese experts attended the "Kaizen conference" organized by Kazakhstan Industry Development Institute<sup>10</sup> (hereinafter referred to as "KIDI") in order to try to promote KJC's branding and raise its reputation. The Japanese language course and the mutual understanding program continue to be conducted even after the completion of Phase 3. However, due to the launch of Chinese and Korean language and cultural courses in these years, the number of participants of the Japanese language course has tended to decrease. The percentage of operation expenditure covered by revenue from KJC's activities increased to 73% in FY 2015, without input from JICA after the completion of Phase 3.

**【Status of Achievement for Overall Goal at the time of Ex-post Evaluation】**

The overall goals were partially not achieved. Regarding one of the overall goals, "Human resources responding to the market economy in Kazakhstan will be developed," according to the beneficiary survey at the time of the ex-post evaluation, those who completed the business courses recognize that these courses have contributed to the improvement of their personal and company operations. Their employers also reported that the staffs' participation in the business course at KJC had good effects on their operations. At the companies that received the consulting service from KJC, practical effects were identified, such as an increase in production volume in the same working hours, a reduction of working hours and improvement of working conditions (to secure a safe aisle in the factory, cleaning of the working area, establishment of a problem-solving board, and improvement of parts storage).

On the other hand, regarding another overall goal, "Mutual understanding between the two countries will be reinforced," not many cases of collaboration and interaction among citizens and companies of both countries were found as a result of participation in the courses or programs at KJC. Nevertheless, the Japanese language courses and mutual understanding programs continue to be implemented and contribute to promoting mutual understanding between the two countries. Even though collaboration was promoted during Phase 3 between KJC and Japanese companies, such as organizing the Kaizen Forum, after the termination of Phase 3 this activity was suspended. However, in October 2016, when the BOP (Base of the Economic Pyramid) mission of JETRO was sent to Kazakhstan, KJC offered the opportunity of promoting collaboration between Kazakhstan and Japanese companies. It is expected that the actual collaboration and interaction between these companies will be realized.

**【Other Impacts at the time of the Ex-post Evaluation】**

The positive impacts were identified in both areas of human resource development and mutual understanding. In the business course, in cooperation with a long-term expert assigned to the development of SME, KJC aims to be the base for promoting kaizen in Kazakhstan as a business strategy that will facilitate them to survive, taking advantage of the strength of Japanese-style management and focusing on themes such as "Production and Quality Management" and "5S and Kaizen." In a practical manner, collaborating with the Entrepreneurship Development Fund (hereinafter referred to as "DAMU") and KIDI, KJC has launched the "kaizen consulting project" for the companies, contributed to improvement of the production efficiency of Kazakhstan companies and strengthened the capacity of Kazakhstani lecturers. In Kazakhstan, the Russian consultant has also recently taught kaizen. However, their guidance does not facilitate "continuous change at the working site," which is the essence of kaizen. In contrast, kaizen taught by KJC is appreciated by local companies, as it gives them more essential and practical guidance (according to the interview with the experts). In the Kazakhstani economy, the exposure of Japanese companies is not very visible, which is why the motivation for Kazakhstan companies to study Japanese-style management is not very high. Nevertheless, the perception that practice in implementing kaizen is a strength of Japanese-style management is coming to be prevalent among Kazakhstan companies, which recognize KJC's activities. This increases the reputation of KJC and the notion that "KJC is the best institution to study kaizen." Moreover, due to financial constraints, the business course was restricted its implementation in Astana (the national capital), which caused problems with government agencies of both countries not recognizing the activities of this project fully. In order to solve this situation, in FY 2016, KJC, with a Japanese short-term expert, started a consulting service for companies in Astana and reported the results of their activities to government agencies in Astana to increase the appeal of their activities.

In addition to the above, according to the results of the beneficiary survey (by questionnaire), which involved 16 ex-participants who had completed the Japanese language course in Phase 2, all of them reported positive effects of participating in the Japanese language course in KJC, claiming it had contributed to improving their capacity to use Japanese, raised interest in Japan and deepened their understanding of Japan. Among them, 11 ex-participants had built a network among Japanese language learners, which increased the effect of learning the Japanese language. Moreover, the guidance by KJC to the Association of Japanese Language Teachers was still continuing at the time of the ex-post evaluation. Based on these facts, KJC contributes to increasing the Japanese language education level in Kazakhstan in general. The cultural events are celebrated in project sites of Almaty and Astana, which promotes mutual understanding in broader areas in Kazakhstan.

**【Evaluation Result】**

The project purpose was almost achieved. After the completion of Phase 3, KJC had strategically narrowed the areas of guidance and had reduced the volume of business courses. However, KJC still continues the courses, aiming to produce the effect, such as kaizen, to develop human resources who can play active role in a market economy; it has done this through the provision of customized seminars or consulting services, mainly using on-site consultation for specific companies. The Japanese language course continues, even though the number of participants has decreased recently, and the mutual understanding program also continues. Some of the overall goals were not achieved, but several positive impacts were identified.

In light of the above, the effectiveness/impact of the project are fair.

Achievement of project purpose and overall goal

Aim	Indicators	Results
Project Purpose The role and function of KJC, which are 1) to contribute to human	1. The management skill of KJC staff are evaluated higher than 80%	(Project completion) <u>Partially achieved</u> - Self-evaluation and evaluation by manager was introduced to the business course, and the staff score was recorded as being 62% in February 2007, 91% in June 2008 and 80% in September 2008. However, the scores for the other period of the project were not recorded.

<sup>10</sup> Kazakhstan's institution was established in 2010 to formulate the national policy related to Kazakhstan's industrial development. It is responsible for the planning, implementation, monitoring and evaluation of the industrial development program, and also for surveys regarding other countries' industrial policies and the integration of Kazakhstani industries.

resources development towards market economy, and 2) to promote mutual understanding between the people of Kazakhstan and Japan, will be strengthened.

(self-evaluation and evaluation by manager)

The Japanese experts evaluated the capacity of KJC's staff that they can manage the regular-patterned courses, but it was not enough for them to design and plan the courses strategically. This self-evaluation system was not applied to the staff of the Japanese language course and the mutual understanding program. The staff of the Japanese language course was equipped with the capacity to arrange the operational manual and revise the curriculum by themselves. In this situation, it was evaluated that the staff are equipped with the capacity to operate the Japanese courses. The evaluation of the capacity of the staff to run mutual understanding was the same as for the Japanese language course.

(Ex-post Evaluation) Continued

- After the completion of Phase 3 in September 2012, the courses at KJC were obliged to be executed only by the Kazakhstani staff. Nonetheless, at the time of the ex-post evaluation, all the three courses are run with no problems, which shows the much-enhanced capacity of the staff to operate three programs.

2-① Annual number of users of KJC at business course, is more than 500. Participants' average satisfaction rate is more than 80%.

(Project completion) Partially achieved.

	FY2005	FY2006	FY2007	FY2008	FY2009	First half year of FY2010
Number of participants	1,306	353	1,724	267	1,225	159
Level of satisfaction	No data	No data	80% and over	80% and over	91%	No data

※Fiscal year covers from April to March. The total number of participants stated in the table is 5,034, including those who participated in the course in the first half year of FY2005. This figure differs from the total number of participants in the entire Phase 2.

- Before setting the numerical target (FY 2008 and before), almost half of all the business courses could not fulfill the enrollment quota. This situation was caused by several factors, such as a severe competitiveness with many other educational institutions, the disadvantage of KJC's location and the low profile of KJC at that time. Because of such situations, it was not easy to collect enough participants for the business course. Moreover, the economic crisis in 2008 had an effect in reducing the number of applicants. Owing to the operational consultation mission in October 2008, KJC took remedies to ensure there would be enough participants and to improve the curriculum and formation of lecturers. Consequently, KJC could accomplish the target indicator in FY 2009. But in the first half of fiscal year 2010, the number of participants decreased due to lack of seminars that could mobilize many participants at one time, such as seminars for a specific company or university, or the forum, and KJC could not achieve the numerical target (250 participants in half a year, in proportion to 500 in a year). However, the satisfaction level of those who participated in the course was high (even though no data was found for the first half of FY2010).

(Ex-post Evaluation) Partially continued

	Last half year of FY2010	FY2011	FY2012	FY2013	FY2014
Number of participants	133	966	372	179	115
Level of satisfaction	97%	97%	95%	90%	93%

- During Phase 2, diversified classes were implemented in the business course. But in Phase 3, the only course of "Human Resource Management," "Marketing," "Production and Quality Management" and "Project Management" were conducted.
- Just after the completion of Phase 3, the business course was provided with only Kazakhstani lecturers. However, Japanese short-term experts resumed to be dispatched in FY 2013 and beyond, and at the time of the ex-post evaluation (in FY2014), Japanese experts taught "Production and Quality Management" (3 times) and "5S and Kaizen" (once), while the Kazakhstani lecturer guided "Lean Production and Kaizen" (3 times); in total, 3 courses were conducted through 7 classes. Even though the number of participants had decreased, their level of satisfaction with the lectures remained high. After Phase 3, KJC tried to change its strategy to focus on the themes which do not compete with other business courses, to emphasize on-site guidance for the course contents, and to bring about the effect and improvement in work site location than to increase the number of participants. On the other hand, the regular content taught by the Kazakhstani lecturers, such as "Marketing" or "Energy Management Systems" sometimes could not attract enough participants to satisfy the enrollment quota. The main reasons for this situation are as follows: the disadvantage of the location of KJC; low motivation to study at KJC due to the fact that the courses are taught by local lecturers against the expectation that the lecturers will be Japanese because the Center is called the "Kazakhstan and Japan Center"; competitiveness with other MBA courses; low motivation to study Japanese-style production techniques due to the low profile of Japanese companies; and an inadequate approach to the recruitment of participants (according to interviews with KJC and related persons of the Kazakhstan Economic

		Association). - The accumulated number of participants of the business course from Phase 1 to FY 2014 was 8,600 and over.																																																					
2-② Annual number of users of KJC at Japanese language course, is more than 500. Participants' average satisfaction rate is more than 80%.	(Project completion) <u>Almost achieved</u>	<table border="1"> <thead> <tr> <th></th> <th>FY2005</th> <th>FY2006</th> <th>FY2007</th> <th>FY2008</th> <th>FY2009</th> <th>First half year of FY2010</th> </tr> </thead> <tbody> <tr> <td>Number of participants</td> <td>524</td> <td>516</td> <td>728</td> <td>605</td> <td>1,258</td> <td>484</td> </tr> <tr> <td>Venue</td> <td>Almaty</td> <td>Almaty, Astana</td> <td>Almaty, Astana</td> <td>Almaty, Astana</td> <td>Almaty, Astana, Karaganda</td> <td>Almaty, Astana</td> </tr> <tr> <td>Evaluation by participants</td> <td>More than 4 among 5 grades</td> <td>More than 4 among 5 grades</td> <td>Around 90% by average</td> <td>Around 90% by average</td> <td>Around 90% by average</td> <td>No data</td> </tr> <tr> <td>Completion rate</td> <td>75%</td> <td>60%</td> <td>58%</td> <td>68%</td> <td>68%</td> <td>No data</td> </tr> </tbody> </table> <p>※Fiscal year covers from April to March. The total number of participants stated in the table is 4,115, including those who participated in the course in the first half of the year, 2005. Therefore this figure differs from the total number of participants in Phase 2.</p> <p>- In FY 2009 and after, the numerical target was achieved. Before that, the Japanese language course attracted more than 500 participants, whose level of satisfaction with the courses was high, though the completion rate of the course was not satisfactory. Moreover, the Japanese language course was also conducted in Astana or Karaganda, other than Almaty where KJC is located.</p> <p>(Ex-post Evaluation) <u>Almost continuous</u></p> <table border="1"> <thead> <tr> <th></th> <th>Last half year of FY2010</th> <th>FY2011</th> <th>FY2012</th> <th>FY2013</th> <th>FY2014</th> </tr> </thead> <tbody> <tr> <td>Number of participants</td> <td>889</td> <td>598</td> <td>494</td> <td>479</td> <td>441</td> </tr> <tr> <td>Level of satisfaction</td> <td>NA</td> <td>NA</td> <td>89%</td> <td>86%</td> <td>83%</td> </tr> </tbody> </table> <p>- After the completion of Phase 2 (data about the "level of satisfaction" are partially not available), the numerical targets were almost achieved. However, the number of participants has tended to decrease recently as the course has lost ground to the popularity of Chinese and Korean language courses.</p> <p>- The accumulated number of participants in the Japanese language course from Phase 1 to FY 2014 was 6,800 and over.</p>		FY2005	FY2006	FY2007	FY2008	FY2009	First half year of FY2010	Number of participants	524	516	728	605	1,258	484	Venue	Almaty	Almaty, Astana	Almaty, Astana	Almaty, Astana	Almaty, Astana, Karaganda	Almaty, Astana	Evaluation by participants	More than 4 among 5 grades	More than 4 among 5 grades	Around 90% by average	Around 90% by average	Around 90% by average	No data	Completion rate	75%	60%	58%	68%	68%	No data		Last half year of FY2010	FY2011	FY2012	FY2013	FY2014	Number of participants	889	598	494	479	441	Level of satisfaction	NA	NA	89%	86%	83%
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Level of satisfaction	90% and over	90% and over	90% and over	90% and over	90% and over	No data																																																	
	Last half year of FY2010	FY2011	FY2012	FY2013	FY2014																																																		
Number of participants	852	6,878	5,344	4,863	11,951 <sup>12</sup>																																																		
3 Percentage of local activity expenditure covered by the Center income is	(Project completion) <u>Achieved</u>	<p style="text-align: right;">(Unit: thousand tenge<sup>14</sup>)</p> <table border="1"> <thead> <tr> <th></th> <th>FY2006</th> <th>FY2007</th> <th>FY2008</th> <th>FY2009</th> <th>First half year of FY2010</th> </tr> </thead> <tbody> <tr> <td>Income from their activities</td> <td>11,756</td> <td>17,001</td> <td>15,048</td> <td>23,540</td> <td>17,675</td> </tr> </tbody> </table>		FY2006	FY2007	FY2008	FY2009	First half year of FY2010	Income from their activities	11,756	17,001	15,048	23,540	17,675																																									
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<sup>11</sup> There were more than 5,000 participants at one cultural event, which raised the number of participants (Documents provided by JICA).

<sup>12</sup> It is estimated that the sudden increase in participants this year resulted from the change of method of statistical calculation (according to the information obtained from JICA Kirgiz office).

<sup>14</sup> One Kazakhstan tenge was equivalent to 0.327 Japanese yen in March 2016, according to the rate JICA used (available at JICA website).

	more than 30% <sup>13</sup>	<table border="1"> <tr> <td>Operation expenditure</td> <td>48,059</td> <td>54,908</td> <td>55,800</td> <td>74,887</td> <td>58,484</td> </tr> <tr> <td>Percentage of operation cost which is covered by KJC</td> <td>25%</td> <td>31%</td> <td>27%</td> <td>31%</td> <td>30%</td> </tr> </table> <p>(ex-post Evaluation) <u>Continued</u> (Unit : thousand tenge)</p> <table border="1"> <tr> <td></td> <td>through 2010</td> <td>FY2011</td> <td>FY2012</td> <td>FY2013</td> <td>FY2014</td> <td>FY2015</td> </tr> <tr> <td>Income from their activities</td> <td>28,144</td> <td>31,817</td> <td>18,898</td> <td>21,021</td> <td>33,673</td> <td>29,392</td> </tr> <tr> <td>Operation expenditure</td> <td>99,362</td> <td>67,124</td> <td>43,800</td> <td>41,965</td> <td>43,445</td> <td>40,434</td> </tr> <tr> <td>Percentage of operation cost which is covered by KJC</td> <td>20%</td> <td>55%</td> <td>43%</td> <td>50%</td> <td>78%</td> <td>73%</td> </tr> </table>	Operation expenditure	48,059	54,908	55,800	74,887	58,484	Percentage of operation cost which is covered by KJC	25%	31%	27%	31%	30%		through 2010	FY2011	FY2012	FY2013	FY2014	FY2015	Income from their activities	28,144	31,817	18,898	21,021	33,673	29,392	Operation expenditure	99,362	67,124	43,800	41,965	43,445	40,434	Percentage of operation cost which is covered by KJC	20%	55%	43%	50%	78%	73%
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<p>Overall goal</p> <p>1) Human resources responding to the market economy in Kazakhstan will be developed</p> <p>2) Mutual understanding between the two countries will be reinforced.</p>	<p>1. Cases and the number of such cases where KJC participants contributed to increased profits and efficiency in their companies</p>	<p>(Ex-post Evaluation) <u>Almost achieved</u></p> <ul style="list-style-type: none"> <li>- According to the results of the beneficiary survey questionnaire collected at the time of ex-post evaluation from eight of those who completed the business course in Phase 2, seven out of the eight answered that they had improved their operation (such as to start a new business, to improve their operation practice, to raise their motivation, etc.), and six out of eight reported that they had contributed to improving the operations at their company. On the other hand, none of them answered that the profits of their companies had improved. It is assumed that it was difficult for those who completed the business course to contribute to improving the profits of their companies because of the shortness (3 to 5 days length) of most of the business courses at KJC.</li> <li>- According to the survey questionnaires collected from the management executives of the companies (3 companies) who sent their staff to KJC's business course, all of them answered that their participation in the course had good effects on their operations. Specifically, "the start of new business" (2 companies), "the increase of sales volume" (1 company), and "the expansion of business clients" (1 company) were the effects identified.</li> <li>- The number of companies that made use of the business course of KJC as an in-house training has been increasing. It is considered that the reliability and the recognition of KJC as a training institution with business courses is improving.</li> <li>- Meanwhile, the "Kaizen Club" was formed in 2011 as a network of those who completed the business course. However, most of them were engaged in the occupation of "consultant," so they were hesitant to share their own business skills with others without compensation, and their activities were suspended. After that, their activities resumed in 2015. Still, the operation policy of kaizen club, which is to utilize this network for their personal business, did not get along with the aim of KJC to spread "kaizen" throughout Kazakhstan. It was difficult for them to work together cooperatively with KJC, and now kaizen club has developed its activities independently from KJC.</li> </ul>																																								
	<p>2. Cases and the number of such cases where collaboration and exchange between Kazakhstan and Japanese citizens / corporation were realized</p>	<p>(Ex-post Evaluation) <u>Partially achieved</u></p> <ul style="list-style-type: none"> <li>- During the Phase 3, several collaboration and exchange activities were organized, such as holding social events co-hosted with those who completed the business course, having a meeting to watch the TV program "Project X" and exchange opinions with the overseas-affiliated Japanese companies in Kazakhstan (such as trading, bank and manufacturing companies), holding lectures given by these Japanese companies and holding the "Kaizen Forum" at KJC as part of the CSR<sup>15</sup> program of the Japanese companies. However, after the completion of Phase 3, this collaboration was suspended. At the time of ex-post evaluation, a long-term expert tried to find opportunities for KJC to collaborate with the overseas-affiliated Japanese companies in Kazakhstan. In October 2016, when the JETRO's BOP mission was dispatched to Kazakhstan, KJC contributed by offering opportunities for Kazakhstani companies to promote collaboration with Japanese companies.</li> <li>- Moreover, KJC becoming an affiliated institution of university, KazEU became to be easy to collaborate with Japanese university, such as Tsukuba University to start an internship program. While the Japanese language courses and mutual understanding program were implemented actively, no spontaneous interaction between Japanese and Kazakhstan citizens be observed to be inspired by the participation in the Japanese language course or the mutual understanding programs.</li> </ul>																																								

Source: Results of survey by questionnaires collected from those related to KJC (including experts), the beneficiary survey, and documents provided by JICA, terminal evaluation report.

### 3 Efficiency

The project cost was within the plan and the project period was as planned. Therefore, efficiency of the project is high.

<sup>13</sup> "Percentage of local activity expenditure covered by the Center income" means "Percentage of operation cost which is covered by the revenue of KJC's own activities."

<sup>15</sup> Corporate Social Responsibility

#### 4 Sustainability

##### 【Policy Aspect】

To develop the human resources responsible to transit to market economy was prioritized as an important policy in “Kazakhstan-2030: Prosperity, Security and Ever Growing Welfare of All the Kazakhstanis” (1997) and “Development Strategy Plan till 2020 of the Republic of Kazakhstan” (2010), which is aimed to step away from the heavily inclined industrial structure to natural resources and to diversify the economic structure. In the state of the nation address by the president in November 2014, the government made clear its intention to establish a new economic plan (“The Bright Road”) so that Kazakhstan’s economy would not be affected drastically by the fluctuation of market prices for natural resources. As one of seven strategies stated in this address, it was declared that the government would position the SMEs as a locomotive to attain economic growth and would support these SMEs (from the national address by the president in 2014).

##### 【Institutional Aspect】

After the completion of Phase 3, KJC obtained the position of affiliated institution to KazEU in 2012, and its organizational stability was strengthened. KJC hired 12 staff members, including 1 director of KJC, 1 manager of business courses, 1 manager for general affairs (with a part-time contract), 3 staff members for business courses and general affairs, and 1 manager and 2 staff members for Japanese language courses, and other staff members such as a janitor, accountant and driver, in each, were hired directly by KazEU to run KJC. The staff members of KJC are given positions as university staff and offered a benefits package, such as permission to attend lectures at the university to develop their capacity. These contract conditions facilitate the stability of employment of KJC staff. Meanwhile, the number of staff assigned to KJC cannot be considered “enough,” even though they have experience working at KJC since the period of the technical cooperation project and manage tasks and operations effectively (according to the interviews with experts and the answers to the questionnaire).

In business course, KJC is making an effort to develop the institutional system so that KJC can turn into a “base” to promote kaizen in Kazakhstan, in addition to giving guidance on “Production and Quality management” or “5S and kaizen,” which are considered comparative advantages of Japanese-style management. KJC has a reputation as the top institution to give guidance on kaizen among the companies that recognize KJC. The more companies utilize KJC’s business course for in-house training, the more KJC will win high recognition as an educational institution. As a trial business strategy, KJC has started to place more emphasis on offering consulting services that will have a practical effect on work sites than on increasing the number of participants in lectures. On the other hand, the manager of the business courses is given double assignments as a manager and lecturer of a business course, and too busy to tackle on additional work. In order to expand its operations domain to become a “base” institution of promoting kaizen in Kazakhstan, KJC needs to strengthen the number and the capacity of staff (according to the interviews with experts and the answers to the questionnaire).

##### 【Technical Aspect】

Since the completion of Phase 3, KJC has been run only by Kazakhstani staff with no problem. The capacity to operate the courses and manage KJC has been greatly improved. In the business course, there are 7 part-time lecturers, other than the one who has an assignment as the business course manager. These lecturers teach classes, such as “Lean production and kaizen,” “Marketing” and “Energy management system” and so on, which are the ones not taken care of by short-term Japanese experts from JICA (who gave guidance of “Production and Quality management” and “5S and kaizen”). Just after the termination of Phase 3, Kazakhstani lecturers were the only persons provided with the business courses (they covered 100% of all lectures). Since FY 2013, the short-term Japanese experts resumed being dispatched to KJC, and in FY2014, Kazakhstani lecturers were engaged in 43% of the courses. The capacity of the Kazakhstani lecturers is high, as they have been strengthened by the Japanese experts and participated in the training given in Japan. However, most of them are part-time lecturers who give similar business courses in other educational institutions, which are located in more favorable places in Almaty. This practice affects the comparative advantage of their lectures at KJC and is one difficulty in gathering enough participants for the business course at KJC. At the time of ex-post evaluation, KJC is deploying practical on-site guidance, establishing “5S and kaizen” and “on-site guidance” at the center of the business course to achieve actual effect at work sites in order to differentiate KJC’s business course from others. In order for such a Japanese-style management method to be taught and guided based on practical experiences, a dispatch of Japanese short-term experts and technical transfer from Japanese experts to the Kazakhstani lecturers will still be necessary for a while.

Meanwhile, the Kazakhstani lecturers of the Japanese language course have kept teaching classes since Phase 2. Through these experiences, their capacity to teach Japanese has been enhanced so that they can manage the material of “Marugoto,” capturing its essence. The mutual understanding programs are also conducted only by Kazakhstani staff.

##### 【Financial Aspect】

Since the completion of Phase3 in September 2012, KJC has operated their activities, applying the university’s rules and regulations, which has sometimes obliged them to restrain the expenditure for seminars held in rural areas, business trips and overtime work, which restricted their activities partially. Even in this situation, KJC developed a highly profitable program, such as customized seminars and consulting services, which enabled it to increase its revenue comparing the one at the time of completion of Phase 3. The

Table: Revenue and Expenditure at KJC (Unit: thousand yen)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Revenue from KJC’s activities	15,985	17,594	11,697	11,751	21,981	9,611
(from business course)	(3,076)	(8,006)	(2,505)	(3,396)	(9,051)	(4,141)
(from Japanese course)	(11,263)	(8,096)	(8,855)	(7,833)	(10,285)	(4,505)
(from other activities)	(1,646)	(1,492)	(337)	(522)	(2,645)	(965)
Allocation from KazEU	28,459	7,641	6,970	7,321	6,917	2,414
JICA local operation cost	30,929	9,219	1,011	0	0	0
Total Revenue	75,373	34,454	19,678	19,072	28,898	12,025
Total Expenditure	80,971	37,120	27,112	23,458	28,326	13,222
Difference	Δ5,598	Δ2,666	Δ7,434	Δ4,386	572	Δ1,197

Resource: Documents provide by JICA and KJC.

Remarks: “Year” is fiscal year (from April to March). The figure stated above is calculated to Japanese Yen and result of round calculation, which might cause mismatch in exact figures. Due to fluctuation of exchange rate, the Japanese yen equivalent to Kazakhstan tenge in FY 2015 differs a lot from that of FY2014. (One Kazakhstan tenge is equivalent 0.652 Japanese yen in March 2015. On the other hand, One Kazakhstan tenge is equivalent 0.327 Japanese yen in March 2016. Both are referred from rate JICA used (available at JICA website)

revenue has increased from 18,898 thousand KZT in FY 2012 to 33,673 thousand KZT in FY 2014, and slightly decreased to 29,392 thousand KZT in FY 2015. (For a record of KJC revenue in KZT, refer to the “Project Purpose” table for Indicator 3.) Meanwhile the expenditure has also increased along with the increase in KJC revenue. Therefore it is difficult for KJC to operate the activities on its own revenue, and the budget allocation from the university and FJ was incorporated to operate KJC (According to the interview with KJC). The revenue and expenditure, including the budget from the university, tends to produce deficit in most years other than FY 2014, and in FY 2015 also resulted in a deficit of 1, 197 thousand yen. (The amount in the table include neither revenue nor expenditure of the Japan Foundation).

#### 【Evaluation Result】

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

#### 5 Summary of the Evaluation

The project purpose was almost achieved. The business course deployed a variety of courses during the period of the technical cooperation project, and participants’ level of satisfaction was high. However, the number of the participants varied in each year, and almost half of the courses could not fulfill the expected enrollment quota until FY2008. While the number of the participants surpassed largely the numerical target in FY2009, the target was not reached in the first half of FY2010. Other objectives, such as the number of participants in the Japanese language course and mutual understanding program and the percentage of expenditure covered by KJC’s income, were achieved.

According to the beneficiary survey, many of those who completed the business course and Japanese language course recognize the effect of participation in the related courses. However, not many cases related to KJC’s activities were identified to lead to collaboration and interaction between citizens and companies in both countries. At the time of ex-post evaluation, the business course continues its program, having focused strategically on offering the selected themes, such as “Production and quality management,” “5S and kaizen” and so on. In addition to this, KJC is trying to add the function of being a “base” for promoting kaizen in Kazakhstan, making use of the advantages of Japanese-style management. While the Japanese language course has recently tended to enroll fewer participants, it contributes continuously to raising the level of Japanese language education throughout Kazakhstan. The mutual understanding programs have still been conducted to contribute to promoting mutual understanding for both countries. Even though some of the overall goals have not been achieved, other positive impacts, such as the diffusion of kaizen among Kazakhstan companies, are recognized. With these outcomes, the effectiveness and impact of the project are fair.

KJC is an affiliated institution of Narxoz University at the time of ex-post evaluation. While the number of KJC staff cannot be considered enough, KJC can be considered a stable institution with respect to staff hired by KJC and the university. In principle, KJC is operated by the Kazakhstan staff with no problem. The level of Japanese language course given by the Kazakhstani lecturers is high, and the mutual understanding programs are also carried out only by local staff. Meanwhile, some additional technical transfer from Japanese experts to the Kazakhstani lecturers in the business course is still necessary for a while to differentiate its position from other similar courses run by other institutions, as well as to establish KJC as a base for promoting kaizen in Kazakhstan. From the financial aspect, KJC’s revenue from their own activities cannot cover all the expenditures of operating the courses, so the balance of revenue and expenditure tends to run at a deficit, even including the allocation of budget from the university,

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 KJC to enhance the comprehensive capacity to manage the entire business of this center, including the planning of attractive courses and strategic policy, beyond the sound implementation of existing courses, in order to secure enough participants and run KJC with good stability, because in Kazakhstan there are many other competitive educational institutions. At the time of ex-post evaluation, the Japanese expert supports establishing a system to give KJC the additional function of being a base for promoting kaizen throughout Kazakhstan. It would be important to foster staff who can manage KJC, by on-the-job training, identifying the advantages of service offered by KJC and the needs of clients, and involving related institutions (such as DAMU and KIDI), while the Japanese expert is dispatched.

#### Lessons learned for JICA:

Kazakhstan is an uppermost-middle-income country, with GNI per capita of USD 11,580 (2015, World Bank), and its industrial structure depends heavily on the natural resource industry. Moreover, few Japanese companies are operating in Kazakhstan, and most of them are trading companies with orientation of resource development. This project was implemented to enhance the capacity of SMEs, which make up the majority of enterprises in Kazakhstan; and to facilitate the transition to a market economy. From a policy point of view, the needs for this project was high. Therefore, diversified business courses were carried out at KJC. However, there are many institutions in Kazakhstan that run business courses. In addition, most of the targeted Kazakhstani companies in the project, which were SMEs, do not have strong relations with Japanese companies which are conducting business in Kazakhstan, therefore those target companies were not motivated to study Japanese-style management. Due to these factors, it was not easy for KJC to secure enough participants in the business course during the period of the technical cooperation project.

After the completion of Phase 3 of the technical cooperation project by JICA, considering these external environments, KJC changed its approach in an aim to realize practical effects and transitioned to on-site guidance, focusing on “Production and Quality management” and “5S and kaizen,” which are the comparative advantages of Japanese-style management and are strongly recognized as necessary by Kazakhstani companies. Due to this change in approach, in addition to conducting open seminars, KJC focused on more customized seminars and launched a consulting service to add the function of being a base for spreading kaizen throughout Kazakhstan.

This project is a good example of the continuous effects by changing the cooperation approach (from offering support to increasing the number of participants to help companies produce practical effects at their actual work sites) in order to accomplish the original purpose of the project (to develop human resources who can sustain the transition to a market economy), while taking into consideration internal and external business environments and conditions, as well as selecting and concentrating the area of activities to be implemented based on Japan’s advantages according to its self-analysis.





Lobby at KJC



Parts organized based on kaizen principles  
so that the remaining volume is visible at a glance  
(at a company whose staff participated in the business course)