

Kyrgyz Republic

FY2015 Ex-Post Evaluation of Technical Cooperation Project
“Kyrgyz Republic-Japan Center for Human Development” and
“Kyrgyz Republic-Japan Center for Human Development Project Phase 2”

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0. Summary

This project¹ was implemented to develop the human resources of small and medium-sized enterprises (SMEs) so as to promote Kyrgyzstan’s transition to a market economy and promote mutual understanding between Kyrgyzstan and Japan by implementing business courses, Japanese language courses, and mutual-understanding activities² at the Kyrgyz Republic-Japan Center for Human Development (hereinafter, “KRJC”). The project aimed at developing the KRJC’s basic structure in Phase 1 and at enhancing the KRJC’s function in Phase 2.

This project was consistent with Kyrgyzstan’s development plan, which aimed to transform the nation to a market economy and to develop human resources that were capable of coping with a market economy. It was also relevant to Japan’s ODA policy, which focused on supporting transitions to market economies. Therefore, its relevance is high.

In the two phases combined, the total number of participants for the business courses, Japanese language courses, and mutual-understanding activities was about 10,000, 2,600, and 45,000, respectively. The project’s purpose—enhancing the KRJC’s functions to contribute to SMEs’ human-resource development to promote the transition to a market economy, and to promote mutual understanding between the people of Kyrgyzstan and Japan—was achieved. Following Phase 2, Phase 3 was implemented; the cumulative number of participants for each of the business courses, Japanese language courses, and mutual-understanding activities was about 12,000, 3,200 and 62,000 respectively by the end of FY2015. This resulted in the business course graduates founding companies and expanding their businesses, and it contributed to Japanese language education for all of Kyrgyzstan. The KRJC was fully utilized as an institution for human-resource development, contributing to the nation’s transition to a market economy and providing a

¹ In this report, “this project” indicates Phase 1 and Phase 2, the targets of the current ex-post evaluation, which are evaluated as one project. After the completion of Phase 2, Phase 3 and Phase 4 were implemented (see 1.1 Background).

² To enhance mutual understanding between Kyrgyzstan and Japan, events such as the Satsuki, Tanabata, Bon, and Doll Festivals; Japanese drum performances; rice-cake pounding; calligraphy lessons; and lectures on understanding Kyrgyzstan and “Let’s Talk in Japanese” were implemented.

key place to promote the countries' mutual understanding. Therefore, effectiveness and impact of the project are high.

Although the planned project cost for Phase 1 was unclear, precluding a comparison with the phase's actual cost, the number of the Japanese long-term experts dispatched for the phase was as planned; the actual cost was within the planned amount for Phase 2. The project period was as planned for both phases. Therefore, efficiency of the project is high.

Although no major problems have been observed in policy background or in the organizational and technical aspects of the KRJC, some minor problems have been observed in terms of financial aspects, particularly regarding future financial balance. The future plan was still under consideration at the time of this ex-post evaluation; thus, the sustainability of the project effects is fair.

In light of the above, this project is evaluated to be highly satisfactory.

1. Project Description



Project Location



The Kyrgyz Republic-Japan Center for Human Development

1.1 Background

Following the dissolution of the Soviet Union, Kyrgyzstan promoted a transition to a market economy ahead of other former-Soviet countries by introducing price liberalization, foreign capital, and accession to the World Trade Organization. However, the small size of the nation's market (with a population of 5.05 million in 2003)³, its scarce natural resources, and its high logistical costs (because it is a landlocked country) made the production of competitive exports difficult. Investment was sluggish, and per capita GDP was only \$309 in 2001. Under these circumstances, the strengthening of fragile industrial bases and the development of human resources to sustain those bases were becoming one of the key issues in Kyrgyzstan.

Concurrently, starting year 2000, JICA started Japan Center projects⁴ in Asian and

³ The population figure (from 2015) at the time of this ex-post evaluation was 5.94 million.

⁴ At the time of this ex-post evaluation, 10 Japan Centers had been established in nine countries: Cambodia, Vietnam (Hanoi and Ho Chi Minh), Myanmar, and Laos in Southeast Asia; Mongolia, Uzbekistan,

the former-Soviet countries to establish Japan Centers as bases for training practitioners who would promote transitions to market economies and realizing “aid with a Japanese flag.” In Kyrgyzstan, the Cooperation Committee⁵ and the government of Kyrgyzstan established the KRJC on the premises of Jusup Balasagyn Kyrgyz National University (hereinafter, KNU) in 1995. When the Cooperation Committee was dissolved in 2003, JICA took over the operation of the KRJC as the Japan Center projects of JICA, so this project began.

The Kyrgyz Republic-Japan Center for Human Development project (April 2003-March 2008; hereinafter, “Phase 1”) was implemented to develop human resources so as to promote Kyrgyzstan’s transition to a market economy and to promote mutual understanding between the peoples of Kyrgyzstan and Japan by implementing business courses, Japanese language courses, and mutual-understanding activities. The Kyrgyz Republic-Japan Center for Human Development Project Phase 2 (April 2008-March 2013; hereinafter, “Phase 2”) immediately followed Phase 1 and aimed to enhance the KRJC’s function based on the infrastructure developed during Phase 1.

Following the completion of Phase 2, in response to a request for a project specializing in supporting human-resource development in business, the Project for Capacity Development of Business Persons through Kyrgyz Republic-Japan Center for Human Development (April 2013-March 2016; hereinafter, “Phase 3”) was implemented. After Phase 3, to promote the diversification of industries in Kyrgyzstan and to reinforce the Kyrgyzstan’s relationship with Japan, Project for Human Resource Development for Diversification of Economic Sectors through the Kyrgyz Republic-Japan Center for Human Development (April 2016-March 2021; hereinafter, “Phase 4”) is now being implemented⁶.

1.2 Project Outline

Overall Goals	<p>【Phase 1】</p> <ol style="list-style-type: none"> 1. The process of transitioning to a market economy in the Kyrgyz Republic will be enhanced. 2. Mutual understanding and friendly relations between the two countries will be reinforced. <p>【Phase 2】</p> <ol style="list-style-type: none"> 1. The KRJC will perform the core function of human-resource development in business to create market-oriented economic reforms
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Kazakhstan, and Kyrgyzstan in Eastern and Central Asia; and Ukraine.

⁵ The government of Japan and the governments of 12 states of the former USSR established the Cooperation Committee in 1993 to provide humanitarian and technical assistances to the newly independent states.

⁶ Japanese language courses were provided as part of the JICA technical cooperation project, with support from the Japan Foundation in Phase 1 and Phase 2. Starting in Phase 3, these courses have been conducted mainly with support from the Japan Foundation.

	<p>in the Kyrgyz Republic.</p> <p>2. The KRJC will be utilized as the key place to promote mutual understanding between the peoples of the Kyrgyz Republic and Japan.</p>
Project Purposes	<p>【Phase 1】</p> <p>1. The KRJC will play a key role in the human-resource development of the Kyrgyz Republic as it moves toward a market economy.</p> <p>2. The KRJC will promote mutual understanding between the peoples of the two countries through information services and other programs.</p> <p>【Phase 2】</p> <p>The functions of the KRJC will be further strengthened. They are 1) to contribute to human-resource development among SMEs in the Kyrgyz Republic so as to move it toward a market-oriented economy, and 2) to promote mutual understanding between the peoples of the Kyrgyz Republic and Japan.</p>
Outputs	<p>【Phase 1】</p> <p>1. The KRJC will be managed efficiently and effectively, and it will be accessible to the general public.</p> <p>2. Business courses will be continually offered to provide practical knowledge and skills that are pertinent to a market economy. The implementation of these courses will be gradually localized.</p> <p>3. Japanese language courses will be continually offered to fulfill the needs of the general public, professionals in the business and public sectors, and Japanese language teachers. The implementation of these courses will be gradually localized.</p> <p>4. Publications and visual materials related to Japan will be provided for such fields as economy, society, and culture. In addition, the KRJC will be utilized for exchange programs between the two countries.</p> <p>【Phase 2】</p> <p>1. The overall management of the KRJC will improve.</p> <p>2. The function of providing necessary knowledge and practical skills for business will be further strengthened.</p> <p>3. The function of providing Japanese language education based on the diverse needs as well as the opportunities to study Japanese language in the Kyrgyz Republic will be further strengthened.</p> <p>4. The function of providing information on the economic, social, and cultural aspects of both the Kyrgyz Republic and Japan will be further strengthened.</p>
Total Cost (Japanese Side)	【Phase 1】 : 888 million yen 【Phase 2】 : 686 million yen
Period of Cooperation	【Phase 1】 : April 2003-March 2008 【Phase 2】 : April 2008-March 2013
Implementing Agency	【Phase 1】 : Ministry of Finance and KNU 【Phase 2】 : Ministry of Finance, Ministry of Education and Science, and KNU
Other Relevant Agencies / Organizations	None
Supporting Agency / Organization in Japan	The Japan Foundation (Japanese language course)
Related Projects	【Technical Cooperation Project】 -Project for Capacity Development of Business Persons through Kyrgyz Republic-Japan Center for Human Development (2013-2016)

	<p>-Project for Human Resource Development for Diversification of Economic Sectors through the Kyrgyz Republic-Japan Center for Human Development (2016-2021)</p> <p>-Community Empowerment in Issyk-Kul Oblast* (2007-2011)</p> <p>-Community Empowerment Project through Small Business Promotion by One Village One Product (OVOP) Approach in Issyk-Kul region* (2012-2016)</p> <p>(*In this report, both phases are called “OVOP Project”⁷.)</p>
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1.3 Outline of the Terminal Evaluation

1.3.1 Achievement Status of Project Purpose at the Time of the Terminal Evaluation

In the terminal evaluation report for Phase 2 (2012), the achievement of the project purpose was expected by the time of the project’s completion, considering that all four outputs leading to the project’s purpose were expected to be achieved. In addition, the increase in the number of visitors and activity participants (as well as their high satisfaction level) also showed signs of achievement. On the other hand, financial vulnerability and a lack of medium- to long-term planning were pointed out.

1.3.2 Achievement Status of the Overall Goal at the Time of the Terminal Evaluation

In the terminal evaluation report for Phase 2, there was no mention of the prospective achievement of the overall goal, but one of the indicators—recognition of the KRJC in the Kyrgyzstan private sector—was evaluated as being sufficiently high. Furthermore, the report concluded that the KRJC had become a base for developing exchange and mutual understanding between the two countries, and its function was strengthened.

1.3.3 Recommendations at the Time of the Terminal Evaluation

Concerning the operational management of the KRJC, suggestions included conducting a financial analysis and making a medium-term plan for the KRJC to be able to continue its activities as a nonprofit organization (NPO) after the completion of Phase 2.

Regarding the business courses, recommendations included developing the staff’s capacity, enhancing the network with Kyrgyz economic organizations, and enriching the short courses. Regarding the Japanese language courses, the suggestion was to strengthen collaboration with the Japan Foundation to smoothly introduce its Japanese language classes starting in FY2013.

⁷ The project tried to activate communities through the OVOP movement to formulate sustainable systems of community development. The project supported the organization of small-scale businesses using local resources and offered both technical assistance (accounting, quality management, wrapping, marketing, and organizational management) and study tours. Thus far, the project has been successful in planning and developing felt products utilizing local materials, commercializing by organizing production union, and exporting to Japan and Europe through collaboration with Ryohin Keikaku Co., Ltd. (MUJI).

2. Outline of the Evaluation Study

2.1 External Evaluator

Nobuko Fujita, Foundation for Advanced Studies on International Development

2.2 Duration of the Evaluation Study

For the current ex-post evaluation, following study was conducted.

Duration of the Study: January 2016-March 2017

Duration of the Field Study: May 23-June 8 and July 18-July 30, 2016

2.3 Method of Evaluation

In this report, Phase 1 and Phase 2, which are the targets of this evaluation study, were evaluated together as one project. As for the project purpose, the phrasing was slightly different for Phase 1 and Phase 2, but given the indicators, the targets were similar. Therefore, Phase 2's project purpose was used to verify overall achievement.

3. Results of the Evaluation (Overall Rating: A⁸)

3.1 Relevance (Rating: ③⁹)

3.1.1 Relevance to the Development Plan of the Kyrgyz Republic

The main development strategy at the time of the ex-ante evaluation of Phase 1 was the National Poverty Reduction Strategy (2002-2005). Improving the investment environment to support the development of the private sector was mentioned as the most urgent issue. As the transition to a market economy was a clear policy goal for Kyrgyz, this project's goal of supporting the transition through human-resource development was consistent with the Kyrgyzstan development policy.

In the Country Development Strategy (2007-2011), which followed National Poverty Reduction Strategy, ensuring sustainable growth through the diversification of industry was listed as a priority issue. To realize this goal, the following would be implemented: continual promotion of a market economy through privatization, promotion of SMEs, and human-resource development.

The national development plan at the time of completion of Phase 2, "National Sustainable Development Strategy for the Kyrgyz Republic (2013-2017)" (January 2013) stated that, because the number of big businesses establishment was limited, effort would be made to improve the environment for SMEs by promoting them to raise their competitiveness and to effectively utilize the labor force.

This project, which aimed at human resource development of SMEs to play a key

⁸ A: Highly satisfactory; B: Satisfactory; C: Partially satisfactory; D: Unsatisfactory

⁹ ③: High; ②: Fair; ①: Low

role in the market economy, was highly consistent with Kyrgyzstan development policies from the time of the ex-ante evaluation of Phase 1 through the completion of Phase 2.

3.1.2 Relevance to the Development Needs of the Kyrgyz Republic

At the time of the ex-ante evaluation of Phase 1, the managers of private corporations in Kyrgyzstan needed drastically different management principles and methods than would managers in a planned economy, so the promotion of a market economy through human-resource development was an important development need for Kyrgyzstan¹⁰. At the time of the completion of Phase 2 (2012), SMEs in Kyrgyzstan accounted for 42% of the nation's GDP and were playing a big role in the economy. In the meantime, there was a lack of human resources in wide-ranging areas (management, finance, sales, etc.); a lack of marketing knowledge regarding the market economy; and a lack of information concerning institutions, regulations, and tax systems¹¹.

3.1.3 Relevance to Japan's ODA Policy

Japan's ODA policy regarding Kyrgyzstan at the time of ex-ante evaluation of Phase 1 was based on policy discussions of economic cooperation in 1995. Four areas of focus were identified: supporting the transition to a market economy, basic human needs, economic infrastructure, and agriculture. This work would allow Kyrgyz to efficiently cope with issues (such as its lack of human resources) as part of a process to promote democratization and marketization and to build a new, free nation. Also, in policies of Silk Road Diplomacy¹², the building of human resources and institutions to promote democratization and marketization were listed as important issues. The Country Assistance Program for the Kyrgyz Republic, which was prepared later (drafted in 2007), mentioned infrastructure building for economic growth as one of the important areas. Since the contribution of human-resource development to a market economy was stressed in order to realize it, the project was consistent with Japan's ODA policy. Furthermore, the project was also diplomatically appropriate because it continued and developed the activities of the KRJC after the dissolution of the Cooperation Committee in 2003 to maintain and promote a friendly relationship with Kyrgyzstan, which continues to have a strong affinity toward Japan.

¹⁰ One of the graduates of a business course, looking back at the early phase of the transition to a market economy, said "We were just like babies abandoned in desert."

¹¹ <http://stat.kg/en/statistics/download/operational/366/>

¹² In 1997, then Prime Minister Hashimoto announced the Silk Road Diplomacy toward Central Asia and the Caucasus, paving the way for policies to strengthen ties with these countries based on their 1) geopolitical importance, as they share borders with Russia, China, and the Middle East; 2) economic importance, as they have energy resources such as oil and natural gas; and 3) historical and cultural ties with Japan.

As stated above, this project was highly relevant to Kyrgyzstan’s development plan and development needs, as well as to Japan’s ODA policy. Therefore, its relevance is high.

3.2 Effectiveness and Impact¹³ (Rating:③)

3.2.1 Effectiveness

3.2.1.1 Achievement of Project Purpose

As stated in 2.3 Method of Evaluation, the project purposes of Phase 1 and Phase 2 are shared, so the Phase 2 project purpose was used to judge overall achievement. As no numerical target was set for the indicators, a comparison of planned and actual results was not possible; the project was evaluated positively if improvement and expansion of activities were observed in Phase 2, based on the accomplishments of Phase 1. The indicators and actual outputs are shown in Table 1. Regarding the indicators of outputs for Phase 1, their statuses at the completion of Phase 2 were reviewed to determine progress.

Table 1 Achievement of Output

Output		Actual
Achievement of Phase 1 Outputs at the Completion of Phase 1 and Phase 2		
1.	<p>The KRJC will be managed efficiently and effectively, and it will be accessible to the general public.</p> <p>(indicators)</p> <ul style="list-style-type: none"> -Number of KRJC staff members and their working capabilities - 	<p>【At the time of completion of Phase 1】</p> <ul style="list-style-type: none"> -At the time of completion, 10 full-time and three part-time staff members were working at the KRJC. -Regarding the business courses, competent staff assisting Japanese experts played an active role in planning and operation. Regarding the Japanese language courses, managers who understood teaching methods and class management worked actively on the project. For the mutual-understanding activities, local staff members were able to adequately plan and operate events with support from Japanese experts. <p>【Phase 2】</p> <ul style="list-style-type: none"> -At the time of completion, 12 full-time and four part-time staff members were working at the KRJC. -Regarding the business courses, although Japanese experts planned the entirety of the courses, operations and management were conducted by local staff based on the operation manual, which was renewed occasionally. IT courses were planned and operated by Kyrgyz lecturers and staff members. -For the Japanese language courses, two full-time lecturers conducted the classes and performed management and administration. Along with two part-time lecturers, existing courses were operable by local staff/lecturers. -Regarding the mutual-understanding activities, local staff implemented the activities with support from Japan

¹³ Sub-rating for Effectiveness is to be put with consideration of Impact.

		Overseas Cooperation Volunteer (JOCV, Youth Activities), librarians, and operation staff. Local staff planned and implemented new events, including a New Year's calligraphy event.
2.	<p>Business courses will be continually offered to provide practical knowledge and skills pertinent to a market economy. The implementation of the courses will be gradually localized.</p> <p>(indicators)</p> <ul style="list-style-type: none"> -Number of business courses 	<p>【Phase 1】</p> <ul style="list-style-type: none"> -Medium-term Course for Entrepreneurs (5 months): one time -Practical Business Management ("A" Course, 3 months): 3 times -Management Improvement Course (for an individual company; between a few days and a month): 20 times -Seminars on specific topics: 35 times -IT course for people with special hearing needs: 13 times -Local seminars (human-resource development in the tourism industry, marketing, etc.): 3 times <p>【Phase 2】</p> <ul style="list-style-type: none"> -A Course: 9 times (twice per year except for once in FY2009) -Courses on specific subjects: 13 times -Management Improvement Course: 19 times -Seminars on specific topics: 59 times -IT course for the people with special hearing needs: 29 times -IT course for the general public: 6 times -Local seminars (business basics, etc.): 11 times <p>(See item 1. for course management.)</p>
3.	<p>Japanese language courses will be continually offered to fulfill the needs of the general public, professionals in the business and public sectors, and Japanese language teachers. The implementation of these courses will be gradually localized.</p> <p>(indicators)</p> <ul style="list-style-type: none"> -Number of Japanese language courses 	<p>【Phase 1】</p> <ul style="list-style-type: none"> -Beginners I and II (1 year), Intermediate I and II (1 year), and Advanced (4 months): every year -Junior Course: once -Preparation for Japanese Language Proficiency Test: once -Video Course: every year -Translator/Interpreter Course: Once <p>【Phase 2】</p> <ul style="list-style-type: none"> -Introductory: 3 times -Beginners I and II (1 year), Intermediate I and II (1 year), and Advanced (4 months): every year -Junior Course: 3 times -Preparation for Japanese Language Proficiency Test: 4 times -Course for Japanese language instructors: once <p>(See item 1. for course management.)</p>
4.	<p>Publications and visual materials related to Japan will be provided for such fields as economy, society, and culture. In addition, the KRJC will be utilized for exchange programs between the two countries.</p> <p>(indicators)</p> <ul style="list-style-type: none"> -Number of times the home page is accessed <p>(reference indicator)</p>	<p>Number of times the home page was accessed:</p> <p>【Phase 1】</p> <ul style="list-style-type: none"> -640/month (average for May-September 2007) <p>【Phase 2】</p> <ul style="list-style-type: none"> -Between 934 and 1,374/month (2011), between 1,028 and 1,908/month (2012) <p>Number of events for the promotion of mutual understanding:</p> <p>【Phase 1】</p> <ul style="list-style-type: none"> -46 times (through September 2007) <p>【Phase 2】</p>

	-Number of events for the promotion of mutual understanding	-214 times. Major events such as festivals were held once per month. Small-scale events such as paper folding or calligraphy courses, tea ceremonies, kimono dressing events, and so on were also conducted. A seminar for understanding Kyrgyzstan was conducted for the JOCV and for Japanese residents.
Achievement of Phase 2 Outputs at the Completion and Phase 2		
1.	The overall management of the KRJC will improve. (main indicator) -Annual and ad hoc JCC meetings -Monthly meetings to facilitate communication among the three programs -Formulation, implementation, monitoring, and quarterly revisions of annual operational, financial, and organizational plans -Types and number of publicity programs	-Since FY2004, meetings of the Joint Coordination Committee (hereinafter JCC) were held every year except for 2006 and 2010 ¹⁴ ; in these meetings, the KRJC's activities, financial reports, and annual plans were discussed and approved. -A KRJC management meeting was held every week; this enabled the sharing of information and close coordination of three programs. Besides, annual operation plans, PR plans, and organograms were made and revised quarterly. Financial planning and financial reports for the entire KRJC were also made. -By October 2012, about 280 PR activities were conducted through various media such as the KRJC website, newspapers, magazines, TV, radio, and posters. Starting in June 2011, monthly newsletters (in Russian and Japanese) were issued ¹⁵ .
2.	The function of providing necessary knowledge and practical skills for business will be further strengthened. (main indicator) -Scheduled formulation and implementation of annual implementation policy and course plan -Improvement in the monitoring system -Number of identified and trained local lecturers	-Initially, Japanese experts formulated and implemented an annual implementation plan. Since FY2011, these plans were also made in English and shared with local staff. -At the completion of the A Course and 3 months afterward, a questionnaire survey was conducted to determine the participants' satisfaction levels and the impact on their business. The course's structure and contents were improved according to the needs of the participants, and the operation was reviewed based on the survey results. A database of course participants was made. The monitoring method was articulated in a manual, and a technical transfer to local staff was conducted. -Thirty-eight local lecturers were trained.
3.	The function of providing Japanese language education based on the diverse needs as well as the opportunities to study Japanese language in the Kyrgyz Republic will be further strengthened. (main indicator) -Scheduled formulation and implementation of annual implementation policy and course plan -Improvement in the monitoring	-An implementation policy and annual course plan were made. Due to political turmoil in 2010, some of the activities were postponed, but otherwise, most activities were implemented as planned. -Japanese experts, local lecturers, and KRJC staff conducted monitoring of the activities. Local lecturers improved their classes through teaching plans, class observations, trainings, written reports, and study sessions. After each course, a questionnaire was conducted to identify problems and make improvements. -During Phase 2, 19 local lecturers taught Japanese classes at the KRJC. -Local staff was basically in charge of the Japanese

¹⁴ The reasons for the JCC cancellations were that, in 2006, no Kyrgyz-side co-director had been appointed, and that, in 2010, there was political and social turbulence.

¹⁵ This was issued until July 2013. Then, it became quarterly; it continues to be published on this basis as of the time of the ex-post evaluation.

	system -Number of identified and trained local lecturers -Number of courses initiated by local staff	language courses and of implementing course management.
4.	The function of providing information on the economic, social, and cultural aspects of both the Kyrgyz Republic and Japan will be further strengthened. (main indicator) -Scheduled formulation and implementation of annual implementation policy and course plan -Improvement in the monitoring system -Number of mutual-understanding activities initiated and implemented by local staff	-An implementation policy and a plan for the promotion of mutual understanding were made every year and were conducted smoothly. -Questionnaire survey was conducted after various events to check participants' levels of satisfaction and their status update. The results were utilized to improve activities and to revise the annual plan each quarter. -Full-time local staff members were in charge of day-to-day operations.

Sources: Midterm and terminal evaluation reports for Phase 1 and Phase 2, documents provided by JICA, and the KRJC hearing

The indicators of the project purpose and the actual performance are shown in Table 2. The Phase 2 indicators were used for evaluation; achievements were compared with the status at the completion of Phase 1 to the extent that this was possible.

Table 2 Achievement of the Project Purpose

Phase 2 Project Purpose	
The functions of the KRJC will be further strengthened. They are 1) to contribute to human-resource development among SMEs in the Kyrgyz Republic so as to move it toward a market-oriented economy, and 2) to promote mutual understanding between the peoples of the Kyrgyz Republic and Japan.	
Indicator	Actual
1 Improvement of Recognition	
1-1. Number of visitors	【Phase 1】 126,170 (FY2003-2007) 【Phase 2】 228,920 (FY2008-2012)
1-2. Number of participants at KRJC activities	【Phase 1】 25,376 【Phase 2】 32,805 (see Table 3 for details)
1-3. Satisfaction level of visitors and participants	【Phase 1】 Business courses: 89%; Japanese language courses (Beginners I and II and Intermediate I and II): 96%; mutual-understanding activities: data not available. 【Phase 2】 Business courses: 91% (A Course, average of eight courses during FY2008-2012); Japanese language courses: 91% (FY2012). The courses lectured by Japanese teachers are particularly appealing to the participants, while satisfaction level for courses by Kyrgyz lecturers is sufficiently high; mutual-understanding activities: 90% (FY2012, periodic seminars)

1-4. Proportion of participants from regions other than the city of Bishkek	<p>【Phase 1】 Most of the activities were conducted in Bishkek, and the participants were mostly from Bishkek.</p> <p>【Phase 2】 No data available for the business or Japanese language courses, but some activities were conducted in local areas, including those where JOCV was dispatched, and in coordination with the OVOP project. As for mutual-understanding promotion, 18 events (12%) were held outside of Bishkek, and about 7,600 people (28%) participated¹⁶.</p>
2 Promotion of Ownership	
2-1 Proportion of local lecturers out of total course hours	<p><Business courses></p> <ul style="list-style-type: none"> -at the completion of Phase 1: 60% -at the completion of Phase 2: 65% <p><Japanese language courses></p> <ul style="list-style-type: none"> -at the completion of Phase 1: data not available -at the completion of Phase 2: 89% (FY2012)
2-2. Number of local staff members assigned as program managers of the KRJC	<ul style="list-style-type: none"> -at the completion of Phase 1: five managers -at the completion of Phase 2: one senior manager, five managers, and one assistant manager (seven in total).
2-3. Upper-level tasks undertaken by the local staff	<ul style="list-style-type: none"> -at the completion of Phase 1: The competency and management ability of the staff were high, but due to their high potential and their opportunities to study abroad, turnover was high. -at the completion of Phase 2: All the business courses, Japanese language courses, and mutual-understanding activities were conducted by local staff. After the midterm evaluation, upper-level tasks were gradually handed over to local staff, and a staff member was assigned to the senior manager to oversee management of the entire KRJC in July 2011.
3 Financial Sustainability	
3-1. Proportion of the KRJC's own revenue to local expenditure	<ul style="list-style-type: none"> -at the completion of Phase 1: 10% (FY2007) -at the completion of Phase 2: 34% (FY2012)
4. Networking	
4-1. Number of activities in cooperation with related organizations	<p>【Phase 1】 None for the business courses. There was a collaboration with the Japanese Teachers Association for a Japanese speech contest.</p> <p>【Phase 2】 Numbers are not available, but the following cooperation was implemented.</p> <p><Business courses></p> <ul style="list-style-type: none"> -The KRJC's lecturers gave lectures and offered seminars at 10 universities and other institutions. -The KRJC collaborated with the European Bank for Reconstruction and Development (EBRD) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The KRJC helped A Course graduates to register as consultants for EBRD. The lecturers from GIZ gave lectures at the KRJC, and the KRJC helped train those lecturers. <p><Japanese language courses></p> <ul style="list-style-type: none"> -The KRJC continually helped the Japanese Teachers Association by supporting events such as the Japanese speech contest. <p><Mutual-understanding activities></p> <ul style="list-style-type: none"> -The KRJC held many events in cooperation with KNU and other institutions. These included Japanese drum performances at the

¹⁶ Calculated from documents provided by JICA.

	Kyrgyz Russian Slavic University and Kyrgyz-Russian Academy of Education, seminars on paper folding at the Kyrgyz State University of Construction, Transportation and Architecture, and a kodo (incense making) seminar at the Bishkek Humanities University. A Study in Japan Fair was also offered in FY2009 and from FY2011-2015, and 24 universities and institutions participated.
4-2. Number of activities in cooperation with returnees of scholarship program or the JICA training program in Japan	<p>【Phase 1】 Data not available</p> <p>【Phase 2】 The number is not available. However, participants in the JICA training program presented the fruits of their training at the KRJC, and returnees of scholarship program joined mutual-understanding activities such as “Let’s Talk in Japanese.”</p>

Sources: Midterm and terminal evaluation reports for Phase 1 and Phase 2, documents provided by JICA, and the KRJC hearing

Regarding item 1, “improvement of recognition,” the cumulative number of visitors exceeded 350,000, and the number of activity participants in the two phases reached around 58,000. Both numbers for Phase 2 significantly exceeded those for Phase 1.

The number of participants for each activity is shown in Table 3. As for the business courses, various courses were offered, as shown in output 2 of Table 1. Starting in FY2006, the Practical Business Management Course (also called the “A Course” and became the flagship course of the KRJC), in which marketing, business planning, quality management, human resource management, and financial management were offered over three months, was offered twice per year since then; it had 644 participants by the end of Phase 2.

Regarding the Japanese language courses, the total number of participants declined to 902 in Phase 2 from 1,666 in Phase 1. This was because of the political unrest in 2010, which constrained some of the activities, and because Kyrgyz people’s interest in learning Japanese peaked around 2006. As the number of university students majoring in Japanese decreased, demand for Japanese language teachers also decreased. This in turn made the number of participants decrease for the Japanese language-teachers courses, and as did the need for incoming Japanese language teachers to brush up their teaching methods at the KRJC. A shift of interest from Japanese to Chinese and Korean had some influence on this trend. In Kyrgyzstan, mastering Chinese or Korean is advantageous in job searches and for working away from home. Furthermore, there is little financial burden required to study Chinese or Korean and to study abroad because many scholarships are offered to study in China and because free language classes are offered at the Korea Center; thus, many people are attracted to the study of these languages¹⁷.

Regarding the mutual-understanding activities, 45,404 people participated across the

¹⁷ At the time of the ex-post evaluation, although total number is unclear, at universities only 3,000 students were studying Chinese, or about 7 times the number studying Japanese (Confucius Institute). As for Korean, 3,000 primary to middle school students were studying Korean (Korea Center), which is 8 times the number studying Japanese; the popularity of K-pop and Korean dramas had some influence.

two phases (FY2003-2012). The number of participants in Phase 2 was about 1.5 times that of Phase 1. The number of visitors also increased, with Phase 2 having about 1.8 times the number of Phase 1.

Table 3 Number of Participants

FY	Phase 1					Total
	2003	2004	2005	2006	2007	
1. Business courses		1,130	519	963	2,593	5,205
(A Course)				(43)	(108)	(151)
2. Japanese courses	409	379	520	231	127	1,666
3. Mutual-understanding activities	307	735	4,043	4,442	8,978	18,505
1-3 total	716	2,244	5,082	5,636	11,698	25,376
4. Visitors	N/A	N/A	N/A	N/A	5,190	126,170

FY	Phase 2					Total
	2008	2009	2010	2011	2012	
1. Business courses	2,467	642	1,191	346	358	5,004
(A Course)	(51)	(113)	(109)	(113)	(107)	(493)
2. Japanese courses	209	162	158	181	192	902
3. Mutual-understanding activities	3,281	6,004	3,500	6,693	7,421	26,899
1-3 total	5,957	6,808	4,849	7,220	7,971	32,805
4. Visitors	69,537	60,204	34,104	32,995	32,080	228,920

FY	Phase 3			2013-2015	2003-2015
	2013	2014	2015	Total	Total
1. Business courses	515	337	470	1,322	11,531
(A Course)	(126)	(104)	(85)	(315)	(959)
2. Japanese courses	228	271	137	636	3,204
3. Mutual-understanding activities	5,661	4,195	6,382	16,238	61,642
1-3 total	6,404	4,803	6,989	18,196	76,377
4. Visitors	32,735	17,302	27,139	77,176	432,266

Source: documents provided by JICA

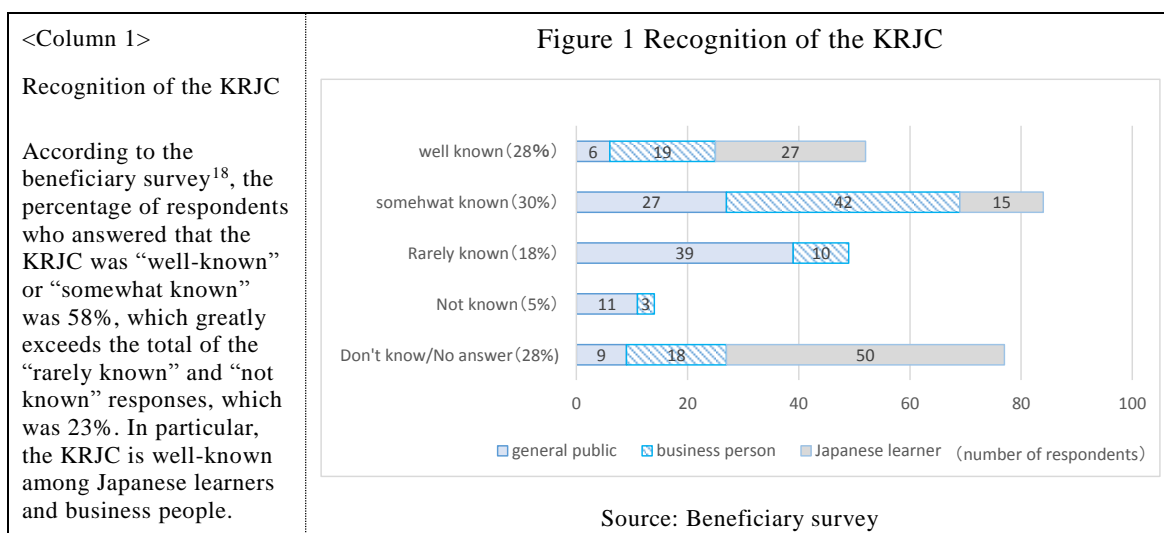
As stated in indicators 1-3 in Table 2, the participants' satisfaction remained high throughout Phase 1 and Phase 2. In Phase 2, activities were conducted in local areas outside of Bishkek.

Regarding item 2, "promotion of ownership," the percentage of teaching hours by local lecturers slightly increased from 60% at the end of Phase 1 to 65% during Phase 2. All of the Japanese language courses were taught by Japanese lecturers until 2002, but 89% of the course hours were taught by local lecturers in 2012. In Phase 1, high turnover among the business-course staff was a concern, but the average working years increased from 2.1 years in Phase 1 to 3.5 years in Phase 2.

For item 3, “financial stability,” the proportion of the KRJC’s income (tuition, membership fees, rent, etc.) spent locally was 10% (FY2007) at the end of Phase 1, which increased to 34% (FY2012) by the end of Phase 2. The amount increased by more than 3 times, from about 3 million yen (FY2007) to 11 million yen (FY2012).

As for item 4, “networking,” the KRJC implemented many activities in collaboration with EBRD and GIZ for the business courses, with the Japanese Teachers Association for Japanese language courses, and with universities inside and outside of Kyrgyzstan for the mutual-understanding activities in Phase 2; this was much more extensive than in Phase 1.

As stated above, based on the accomplishments in Phase 1, the KRJC’s functions of human-resource development and mutual-understanding promotion were strengthened; therefore, Phase 2’s project purpose was achieved.



3.2.2 Impact

3.2.2.1 Achievement of the Overall Goal

Because both of the overall goals of Phase 1 were considered to be of a higher level than they should have been, the overall goals of Phase 2 were used to verify achievement¹⁹ (see Table 4).

¹⁸ The beneficiary survey was conducted during the ex-post evaluation and targeted the participants in the business courses (A Course only), Japanese language courses, and mutual understanding activities in Phases 1 and 2. The total number of respondents was 100 (57 from business courses, 17 from Japanese language courses, and 26 from mutual-understanding activities—of whom 13 each were from the Kyrgyz and Japanese sides). The surveys were conducted through face-to-face interviews (34 respondents), mailed surveys (29 respondents), and telephone interviews following mailed surveys (37 respondents). The business course participants were 49% male and 51% female; the Japanese course participants were 6% male, 88% female, and 6% unidentified; and the mutual understanding participants were 23% male, 62% female, and 15% unidentified. The survey was conducted in Bishkek in May-August 2016.

¹⁹ Regarding one of the overall goals of Phase 1, the enhancement of the transition to a market economy, in the World Bank and IFC’s Doing Business overall ranking, Kyrgyzstan improved from 104th place in 2005 to

For the overall goal, there were eight indicators without specific targets. The indicators for overall goal 2 were added, so 10 indicators were examined in all. The indicators and actual performance are shown in Table 4.

Table 4 Achievement of the Overall Goals

Phase 2 Overall Goals	
1. The KRJC will perform the core function of human-resource development in business to create market-oriented economic reforms in the Kyrgyz Republic 2. The KRJC will be the key place to promote mutual understanding between the peoples of the Kyrgyz Republic and Japan.	
Indicator	Actual
1-1. Number of private companies recognizing the KRJC	-The Chamber of Commerce and Industry of the Kyrgyz Republic publicizes actively the KRJC's business courses to its members (by placing posters in front of its office and its mailing system), and the KRJC is well-known among its members ²⁰ .
1-2. Number of private companies that have improved business efficiency and profit by completing the KRJC's business course	-According to the follow-up survey, which was conducted three months after the completion of the A Course, among the 351 respondents (graduates of FY2006-2015), 123 (35%) stated that "sales increased," 72 (21%) started new companies, and 98 (28%) expanded their businesses ²¹ .
1-3. Number of private companies started after completing the KRJC's business course	-According to the beneficiary survey at the time of the ex-post evaluation, which targeted the A Course graduates, of the 57 respondents, 14 (25%) started new companies after learning about the practice of making a business plan, and 16 (28%) started a new project at their companies. Higher motivation was mentioned by 42% of the respondents, and 49% said that their business practices had improved. Furthermore, some graduates encouraged young employees to start businesses and supported such start-ups (see column 2).
2-1. Number of Japanese language teaching institutions and teachers recognizing the KRJC	-The Japanese Teachers Association was established by the Japanese teachers of the KRJC as core members when the KRJC operated under the Cooperation Committee. The KRJC lecturers, staff members, and graduates are still the key members of this group, and all the members recognize the KRJC ²² . -During the ex-post evaluation, the graduates of the Japanese course (9 graduates, including 4 successive directors of the Japanese Teachers Association) all shared an understanding that "except for universities with Japanese language majors such as KNU and Bishkek Humanities University, the KRJC is the most trustworthy Japanese language education institution."
2-2. Number of participants becoming Japanese teachers	-Among Japanese course participants, four graduates became Japanese teachers, and many other participants were already Japanese teachers prior to participation in the KRJC courses ²³ .

67th place in 2016. It was in 35th place for starting a company, and 6th place for ease of registering a corporation (among 189 countries). As the direct causal relationship with the KRJC is unclear, this is just reference information.

²⁰ The Chamber of Commerce and Industry of the Kyrgyz Republic has a membership of 911 institutions, including SMEs, large corporations, and 40 unions of entrepreneurs from every sector and all over the country. SMEs account for 91% of the membership (Chamber of Commerce and Industry of Kyrgyz Republic).

²¹ Documents provided by KRJC

²² There are 41 Japanese language teachers, including those in local areas (as of 2015). The Japanese Teachers Association membership is 33 (Japanese Teachers Association).

²³ KRJC

2-3. Number of Kyrgyz students studying in Japan	-The number of students studying in Japan increased year by year from 33 in 2004 to 62 in 2007 and 98 in 2010. However, after the Great East Japan Earthquake, the number decreased to 75 in 2012 ²⁴ . Recently, the number has been increasing again, but there are other factors (such as promotional measures by the Japanese government), and it is difficult to ascribe direct causation to the KRJC's activities.
2-4. Number of participants utilizing the knowledge and skills acquired in the KRJC Japanese language courses	-The total number is not available, but according to the beneficiary survey at the time of the ex-post evaluation, 56% (9 out of 16) of the respondents said that completing the KRJC Japanese course helped them in searching for or changing jobs. Nine graduates interviewed during the ex-post evaluation were using the knowledge acquired in the Japanese course thoroughly, such as by teaching Japanese at universities.
2-5. Whether or not the participants in the KRJC courses and events were able to understand Japan better	-Regarding the promotion of understanding related to Japan, 99.5% of the participants in the KRJC Japanese language courses (FY2014 and 2015) said that they had more interest in and a better understanding of Japan after the courses. According to the beneficiary survey, all the Japanese course graduates said that they have a better (or much better) understanding of Japan and the Japanese people after taking Japanese language courses at the KRJC.
2-6. Whether or not the Japan-side participants in the various KRJC events were able to understand Kyrgyzstan better	- By participating in seminars on understanding Kyrgyzstan (which were intended for JOCV and Japanese residents in Kyrgyzstan) and in Japanese cultural events that brought Japanese and Kyrgyz people together, the Japan-side participants came to have a better understanding of Kyrgyz society ²⁵ . -In cooperation with Japanese universities, exchange programs and Japanese study tours provided opportunities for Japanese students to better understand Kyrgyzstan ²⁶ .
2-7. Whether or not Kyrgyz-Japan friendship and cooperative relationships were strengthened through the various KRJC activities	-The total number of participants in the mutual-understanding activities amounted to 61,642 by FY2015. Notably, the Satsuki Festival is an annual event that took place not only on campus but at an adjacent park, and many citizens look forward to it ²⁷ .

One of the overall goals, to “perform the core function of human-resource development in business to create market-oriented economic reforms,” was achieved. As shown in Table 4, course information was widely disseminated by the Chamber of Commerce and Industry of Kyrgyz Republic, and many KRJC business course graduates went on to work at private companies. At the KRJC, a follow-up survey was conducted three months after the completion of the A Course. Among the 351 respondents²⁸, the impact included sales increases (for 35% of participants), business expansion (28%), and the founding of companies (21%) (see Table 4, indicators 1-2). Furthermore, according to the beneficiary survey, at the time of the ex-post evaluation, A Course graduates reported

²⁴ This is the number of foreign students enrolled in Japanese universities, graduate schools, community colleges, specialized vocational high schools, specialized training colleges (specialized courses), educational institutions with preparatory courses for entering Japanese universities, and Japanese language schools (Japan Student Service Organization).

²⁵ Beneficiary survey targeted at participants of mutual-understanding activities

²⁶ KRJC

²⁷ KRJC and mutual-understanding activity participants

²⁸ The target group was all the A Course graduates, which was about 700 people.

improving business operations (49%) or starting companies (25%). Based on these two studies, supposing that 21-25% of A Course graduates start companies, the resulting number of companies would be 200-250. New job opportunities also rose due to start-ups and business expansions.

The KRJC's lineup of business courses and seminars was comprehensive so that it could meet various demands. A Course was for systematically learning business, the Management Improvement Course was for actual improvements of individual companies, the short seminar was for learning topics in a short time, and the E Course was for managers or managerial staff members. A Course is characterized as halfway between a 2-year MBA program at KNU Graduate School of Management and a several-day business seminar offered by the Chamber of Commerce and Industry; this mini-MBA course is one and only in Kyrgyz and teaches the basics of business in three months. It is particularly popular among SMEs in Kyrgyzstan because it offers individual guidance for making a business plan, advice for each participant's business challenges (for which in-depth instruction sometimes extends well beyond class hours), and exposure to real business cases from Japan. The Chamber of Commerce and Industry actively recommended the KRJC course to its members²⁹.

The second overall goal, that the KRJC "will be the key place to promote mutual understanding between the peoples of the Kyrgyz Republic and Japan," was also achieved. The KRJC, with its long history, has become the most trustworthy Japanese-language educational institution for adults and students in Kyrgyzstan³⁰. The only other ways to learn Japanese on a full scale are through the Japanese language majors at KNU and Bishkek Humanities University and from small-scale language schools. The KRJC gets a strong evaluation because it has provided high-quality Japanese language education for 20 years and over³¹, and it has contributed to improve Japanese language education across Kyrgyzstan through the Japanese speech contest, seminars and study sessions, and collaborations with the Japanese Teachers Association.

The beneficiary survey also targeted participants in the Japanese course and mutual-understanding activities, showing that the participants had a better understanding of Japan after these activities (Table 4, indicator 2-5). Moreover, among Japanese residents in Kyrgyzstan³², many stated that they were able to increase the exchange with people in Kyrgyzstan through the Seminar on Understanding Kyrgyzstan and by jointly

²⁹ Chamber of Commerce and Industry of Kyrgyz Republic

³⁰ Japanese course graduates

³¹ Japanese language education started in 1995 at the Japan Center (under the Cooperation Committee), and until September 2005 (when the KRJC became an NPO), it was offered free of charge.

³² The number of Japanese residents in Kyrgyzstan was 156 as of October 2014 (<http://www.mofa.go.jp/mofaj/area/kyrgyz/data.html>). The number of Japanese children (elementary and middle school) was about 25, including those in local regions, as of May 2016 (The Japanese Women's Association).

participating in the Satsuki Festival and other kinds of events³³. Some school-aged Japanese children have spent a long time in Kyrgyzstan, and some elementary students experienced calligraphy at the KRJC for the first time in their lives. The KRJC's events, such as festivals and rice-cake pounding, are precious opportunities for Japanese children to be in contact with Japanese culture. Library books in Japanese are well read by both the Kyrgyz people and Japanese residents and by both children and adults.

As stated above, the achievement level regarding both overall goals is high.

3.2.2.2 The Outputs and Project Purpose from the Completion of Phase 2 through the Ex-Post Evaluation

From the completion of Phase 2 through the ex-post evaluation, the outputs and project purpose were maintained, and more activities were conducted.

After the completion of Phase 2, the A Course was offered twice a year (as before), and short courses on specific subjects and seminars were continually offered during the three years of Phase 3. The E Course (for executives) was also offered starting in Phase 3. According to the beneficiary survey conducted during the ex-post evaluation, merits of the KRJC business courses included attending lectures given by Japanese experts, being able to learn Japanese-style management, and high-achieving participants having opportunities to go on study tours in Japan³⁴.

The A Course is continually offered by dispatched Japanese experts who have teamed up with local lecturers. In FY2016, three Japanese lecturers and 10 local lecturers took part³⁵.

As for the Japanese language courses, the Japan Foundation has been in charge since Phase 3. The lectures and course management are implemented by both a Japanese language expert (dispatched by the Japan Foundation) and local lecturers (two full-time and three part-time). The local lecturers taught between 83.3 and 85.2% of the class hours in FY2013-2015. As mentioned before, the Chinese and Korean languages have recently become more popular than Japanese. Although Japanese language skill provides no advantages when job hunting, Japanese culture (including animation and comics) and Japanese technological competence are becoming motivations to learn Japanese, and it is encouraging that the number of the students studying Japanese in scola (elementary to middle school) has been increasing (Figure 2). At the KRJC, the target participant age

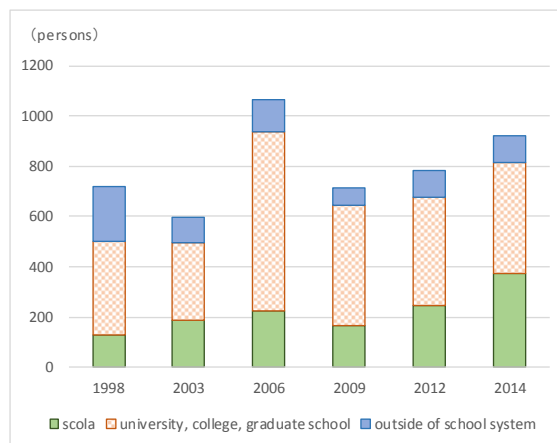
³³ The beneficiary survey targeted mutual understanding activities participants.

³⁴ The three to five highest-achieving participants of each round of the A Course were sent to trainings in Japan for 16 to 21 days. Ten graduates from Phase 1 and 16 from Phase 2 participated in this training, along with KRJC staff members and local lecturers.

³⁵ Japanese lecturers taught marketing, financial management, production management, and quality management. Local lecturers focused on business planning, organization and human-resource management, basic accounting, and management accounting.

was lowered from 18 to 15 starting in FY2015. Moreover, a Junior Course for those under 15 began in FY2016. This course’s structure is designed to attract participants, and it is expected to acquire applicants continually. As for the mutual-understanding activities, cultural events organized by local staff members have attracted many participants prior to the ex-post evaluation.

Figure 2 Number of Japanese Language Students in Kyrgyzstan



Note: “University, college” includes both Japanese language majors and those taking electives

Source: The Japan Foundation’s annual surveys on overseas Japanese language teaching Institutions, plus the KRJC for 2014

The number of participants in the three years of Phase 3 (FY2013-2015) is shown in Table 3. The number of annual visitors ranged from 17,000 to 33,000 in FY2013-2015. On top of that, many more people joined events outside of the KRJC, such as those at concert halls. The number of the business course participants increased by 1,322 from the completion of Phase 2 through FY2015, reaching a cumulative total of 11,531. The number of Japanese course participants increased by 636 from the completion of Phase 2 through FY2015, reaching a cumulative total of 3,204. In the same period, the number of participants in mutual-understanding activities increased by 16,238, reaching a cumulative total of 61,642.

As for the participants’ satisfaction levels, 73-91% of the A Course participants (FY2013-2015) and 70-81% of the Japanese course participants (FY2014-2015) were satisfied. Regarding the mutual-understanding activities, 96% of the participants at the Satsuki Festival of FY2013 rated it as either “Very good” (62%), or “Good” (33.5%). Regarding the cultural events such as paper-folding and tea ceremonies, 78% said they were “Very good” or “Good” (FY2013).

As stated above, the effects of the outputs and the project purpose continue to be seen.

3.2.2.3 Other Impacts

This project had various indirect positive impacts, as follows.

<Formulation of the A Course Alumni Organization “G-Club” and Other Networking>

The G (Graduates)-Club was organized in 2012, and occasional seminars are held exclusively for its members at the KRJC³⁶. According to the beneficiary survey, an informal network has been created among various industries due to the KRJC, making positive impacts on these businesses³⁷.

<Collaboration with the Community Empowerment Project in Issyk-Kul Region (OVOP Project)>

The KRJC held business seminars in Issyk-Kul region for people associated with the OVOP project in 2008, 2009, and 2012. In addition, a five-day Management Improvement Course was offered at the KRJC, focusing on inventory management, preparation of balance sheets, cash management, and budget management; this course was for the representatives in charge of accounting for OVOP+1³⁸, a total of six participants.

Furthermore, a business tour for A Course participants was conducted in Issyk-Kul region, with a Japanese expert on the OVOP project invited to serve as the lecturer. Those associated with OVOP were able to attend business-practices training at the KRJC, and the A Course participants could see the actual sites in which marketing and branding were completed for exporting goods to the Japanese and European markets.

<Impact of the IT Course for People with Special Hearing Needs>

An IT Course for people with special hearing needs started in Phase 1 and continued until FY2015, teaching 328 people how to use PCs³⁹. Subsequently, three graduates of the upper-level course became trainers and gave instructions to beginners. The skills acquired in this course were utilized for work and for private applications, and the participants became able to communicate with people in other countries such as Kazakhstan, Uzbekistan, and Russia. The course also led to an international exchange among people

³⁶ Lecture topics included “Psychology in Service” by a lecturer of the Uzbekistan-Japan Center for Human Development and “Issues to Be Considered for Entering the Japanese Market” by a representative from a Japanese company that is working on the OVOP project.

³⁷ For example, one A Course graduate who started a business received full-fledged legal support from an A Course classmate who had started a legal consulting firm. Many graduates enjoy cross-industrial information exchange and accommodate each other by offering classmate discount (per the beneficiary survey at the time of the ex-post evaluation).

³⁸ A public union was in charge of the business and logistics for the OVOP project; it has 20 staff members (as of June 2016).

³⁹ Similar courses were started by The Social Rehabilitation Center “Equal Possibilities to All” supported by UNDP and Korea Center; AKAK Social Center supported by IFC; and Kyrgyz Technical University supported by GIZ. Thus, the KRJC course was suspended for FY2016.

with special hearing needs, such as TV conferences with people in Japan and Pakistan⁴⁰.

<Business Course Held in the Republic of Tajikistan>

In FY2014 and 2015, the Practical Management Course (a modified A Course) has been offered at the University of Central Asia (UCA) in Tajikistan co-hosted by the KRJC and UCA⁴¹.

No negative impact was confirmed.

As stated above, the project has achieved the project purpose of strengthening the functions of the KRJC, which are 1) to contribute to human-resource development among SMEs in the Kyrgyz Republic, and 2) to promote mutual understanding between the peoples of the Kyrgyz Republic and Japan. Regarding the overall goal, the KRJC was sufficiently utilized as a key place for human-resource development, for market-oriented economic reform, and for promoting mutual understanding between the countries. Therefore, effectiveness and impact of the project are both high.

<Column 2> Learning the importance of human-resource development at the KRJC

Ms. J, a graduate of the A course during Phase 2, is the manager of a snack manufacturing company that has 12 employees. She was formerly a biology teacher of school, but after the disintegration of the Soviet Union, since her salary was cut down, she started a grocery store as a side business to supplement her income. She noticed a potential niche for corn snacks with no additives therefore anybody can eat at ease in Kyrgyzstan. As a result, she retired from the school, and started making such snacks in 2008. However, she had no experience in manufacturing, so she needed knowledge of production management. She joined the KRJC business course in 2010. After learning the basics of management, quality control, marketing, and wrapping, she immediately used those skills in her business. By 2014, her production and sales has both quadrupled compared to their 2008 levels.

“The KRJC is the source of new technologies and knowledge, and graduates pay great attention to their activities,” says Ms. J. She is now planning to export her corn snack to Kazakhstan through a joint venture proposed by a Kazakh classmate from the JICA training she attended in Japan.

“I learned two things at the KRJC. One is to take care of employees, and the other is to meet customers’ requests.” She always keeps these lessons in mind and puts them into practice. During the JICA training in Japan, she learned that Japanese companies put a great deal of effort into their employees’ capacity development. Thus, she sent four of her employees to the KRJC training courses. In Kyrgyzstan, employee turnover is very high, but no one quits her company. (Actually, one person did quit but soon came back.) “All the employees are partners,” she says.

She recommended that a young employee who works as a driver start to think about his career plan. She asked, “Do you want to be a driver when you get old? Is there anything else you can do?” Today, the driver is preparing a seed business under her guidance. She gives advice to many more potential entrepreneurs and plans to open a formal course for start-ups in the near future.



(Photo: KRJC Business course graduate)

⁴⁰ Association for Audio Visual Disabilities

⁴¹ The program was a joint lecture by the Tajikistan side and the Kyrgyz side (local lecturers only).

3.3 Efficiency (Rating:③)

3.3.1 Inputs

Table 5 List of Inputs

Inputs	Plan	Actual
(1) Experts	<p>【Phase 1】</p> <ul style="list-style-type: none"> - Long-Term (KRJC co-director, coordinator, business course management, Japanese course management) - Short-Term (intensive business course, Japanese course, etc.) <p>【Phase 2】</p> <ul style="list-style-type: none"> - Long-Term (co-director/chief advisor, coordinator, Japanese course management) - Short-Term (business, about 20) 	<p>【Phase 1】</p> <ul style="list-style-type: none"> - Long-Term (7) - Short-Term (40) (Resident posts: four, as planned) <p>【Phase 2】</p> <ul style="list-style-type: none"> - Long-Term (7) - Short-Term (19) (Resident posts: three, as planned)
(2) Trainees received	<p>【Phase 1】</p> <p>Training in Japan (KRJC staff and training participants)</p> <p>【Phase 2】</p> <p>Training in Japan (local staff and graduates of the courses, around nine people per year)</p>	<p>【Phase 1】</p> <p>Training in Japan (60)</p> <p>【Phase 2】</p> <p>Training in Japan (43)</p>
(3) Equipment	<p>【Phase 1】</p> <p>Equipment for training, books, etc.</p> <p>【Phase 2】</p> <p>PCs, TVs, books, audiovisual equipment, etc.</p>	<p>【Phase 1】</p> <p>Book-binding machine, vehicles, PCs, network printers and related software, books, DVDs, CDs, etc.</p> <p>【Phase 2】</p> <p>PCs, printers, etc.</p>
(4) JICA Local Operation Costs	<p>【Phase 1】</p> <p>Part of the operation cost (course management, international communication, and part of the staff's salary)</p> <p>【Phase 2】</p> <p>Cost for the KRJC operation, PR, consumables, text creation, etc.</p>	<p>【Phase 1】</p> <p>151 million yen</p> <p>【Phase 2】</p> <p>140 million yen</p>
Japanese Side Total Project Costs	<p>【Phase 1】 N/A</p> <p>【Phase 2】 830 million yen</p>	<p>【Phase 1】 888 million yen</p> <p>【Phase 2】 686 million yen</p>
Kyrgyzstan Side Operational Expenses	<p>【Phase 1】</p> <ol style="list-style-type: none"> 1. Co-director 2. Facility (the 2nd floor of KNU's No.7 building) 3. General cost (facility maintenance, utilities, domestic communication fees, etc.) <p>【Phase 2】</p> <ol style="list-style-type: none"> 1. Co-director 2. Facility (the 2nd floor, part of the 3rd floor, and the basement of KNU's No.7 building) 3. Utilities 	<p>【Phase 1】</p> <ol style="list-style-type: none"> 1. Co-director 2. Facility (entire 2nd floor and part of the 3rd floor of KNU's No.7 building) 3. General cost: utilities <p>【Phase 2】</p> <ol style="list-style-type: none"> 1. Co-director 2. Facility (same as planned) 3. Utilities (about 600,000 yen per year), KRJC parking for official cars (starting in April 2012)

3.3.1.1 Elements of Inputs

The planned and actual inputs are shown in Table 5. Concerning Japanese input in Phase 1, although the details were not specified in the plan, there were four resident long-term experts, as planned. In Phase 2, the political unrest of April 2010 and the ethnic conflict in the south of the nation that June caused temporary political and economic disorder, and there was no president of KNU for a while; this made holding JCC meetings difficult. The input decreased in part due to the cancellation of many mutual-understanding activities such as the Satsuki Festival thus actual project cost was less than planned. Kyrgyzstan-side inputs were delivered as planned.

3.3.1.2 Project Cost

For Phase 1, the planned cost was unknown, making comparisons of the planned and actual costs impossible. Meanwhile, for Phase 2, the actual cost was less than planned.

3.3.1.3 Period of Cooperation

The period of cooperation lasted for five years for Phase 1, from April 2003 through March 2008, and for five years for Phase 2, from April 2008 through March 2013, as planned.

Although the planned project cost for Phase 1 was unclear (which precluded comparison with the actual cost), the number of long-term experts was the same as in the plan. The cost for Phase 2 was less than planned. The project period was as planned for both phases. Therefore, efficiency of the project is high.

3.3 Sustainability (Rating:②)

3.4.1 Related Policy and Institutional Aspects for the Sustainability of Project Effects

The “National Sustainable Development Strategy for the Kyrgyz Republic (2013-2017)”, national development plan aims to improve the business and investment environment because the economy leads the sovereignty of the state and national security. With respect to the promotion of SMEs, the plan aims to create economic development by starting new businesses and ensuring more efficient utilization of existing SMEs. In the Kyrgyzstan development policy, the promotion of SMEs is still an important issue.

Moreover, in a joint statement from October 2015 on “solidarity and partnership for democratic nations,” Japanese Prime Minister Abe and President Atambayev of the Kyrgyz Republic stated that they expect the KRJC to become a core institution for business people and that it will promote the development of a market economy and

increase the number of experts who have Japanese language ability.

As stated above, the project's policy and institutional sustainability is high.

3.4.2 Organizational Aspects of the Implementing Agency for the Sustainability of Project Effects

The KRJC is operated in one of the building provided by KNU. The KRJC is legally an NPO that KNU established in 2005; it has independent organizational management and expenditures. On the other hand, its director is appointed by KNU, and in case of a change in government (and thus the replacement of the president of KNU, which is a national university), KNU's policy toward the KRJC could change abruptly. However, important decisions are made at the JCC, which includes KNU, the Ministry of Finance, the Ministry of Education, the Embassy of Japan, and the JICA Kyrgyz Republic Office. For the KRJC, being on the campus of KNU has many advantages. For example, it can utilize the various facilities of KNU, and the Japanese Taiko drum team⁴² can practice with no hesitation.

After turning over responsibilities gradually to the local side during Phase 2 (based on the establishment in Phase 1 of the goal to enhance the degree of operational independence), daily operations and management are now (at the time of the ex-post evaluation) conducted smoothly by local staff. In April 2016, the KRJC transitioned from a Kyrgyz-Japan joint directorship to a Kyrgyz sole directorship. The Kyrgyz initiative in the decision-making process has been strengthened, and the responsibilities of the director⁴³ and staff are growing. A senior manager who was appointed in 2011 assists the director and manages all of the KRJC.

At the time of the ex-post evaluation, three resident Japanese experts (the JICA chief advisor, a coordinator, and a Japanese language education expert from the Japan Foundation) work alongside a director, 11 full-time staff members, and three part-time staff members from the Kyrgyz side (see Figure 3). This is enough to continue ongoing activities, but to expand activities and develop new programs, an increase of the number of staff members especially in charge of the business courses is required⁴⁴.

The staff members receive capacity-building training in a systematic manner, utilizing opportunities such as trainings in Japan. For the business course staff in particular, auditing the business courses is mandatory in terms of staff capacity building, and they will be expected to perform not only course operations and management but also

⁴² As part of the mutual-understanding activities, the Japanese Taiko drum club was started in 2003 on the instructions of JOCV. Currently, it operates with local members only. As the only Taiko team in Central Asia, it enjoys high popularity and is frequently invited to a variety of events across the country and in Kazakhstan.

⁴³ The current director was assigned to the co-director in October 2013.

⁴⁴ KRJC

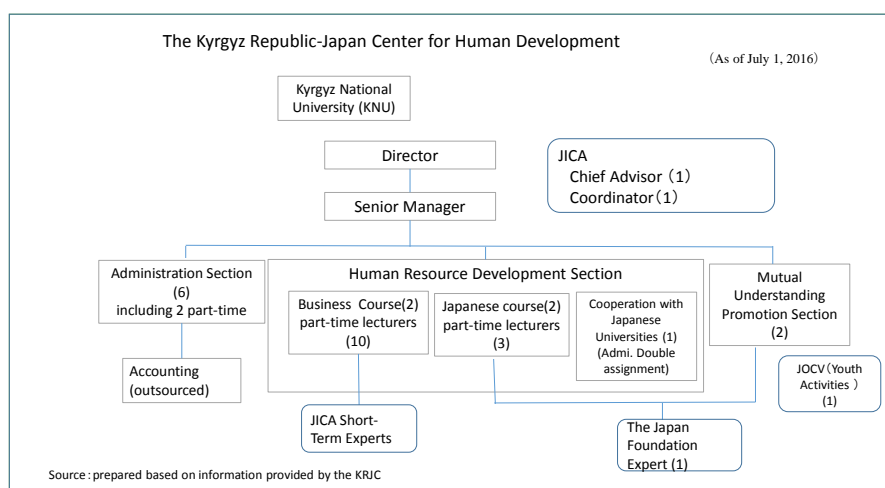
some of the lectures and business consulting in the future.

All the full-time staff members are on renewable one-year contracts that are typically renewed, and employment is protected legally. The salaries of the staff members are high when compared to those of staff members at national universities or employees of private companies⁴⁵.

The number of years that full-time staff members have spent working in the organization depends on the section. Business-course staff members are hired with a requirement of English proficiency, and they stay at KRJC for a relatively short time because they have other job opportunities. On the other hand, staff members who are hired with Japanese language proficiency tend to stay longer. The average length of service at the KRJC is 5.1 years as of the time of the ex-post evaluation⁴⁶.

As stated above, organizational sustainability is high.

Figure 3 The KRJC Organizational Chart



3.4.3 Technical Aspects of the Implementing Agency for the Sustainability of Project Effects

In terms of operations and management, the operation manuals prepared in Phase 2 were updated during Phase 3, and as of the ex-post evaluation, new manuals are prepared for every operation. The business courses, Japanese language courses, and mutual-understanding activities all operate smoothly.

As for the business courses, 38 lecturers have been trained as stated before, and 76% of the course hours for the A Course (in the first half of FY2015) were taught by local

⁴⁵ KRJC

⁴⁶ The average number years spent working at KJRC is 2.5 years for the business courses, 4.6 years for the Japanese language courses, 4 years for the mutual understanding and 7.4 for administration (per a document provided by KRJC).

lecturers. Until FY2014, there was a policy to limit Japanese lecturers' course hours to less than half of the total in preparation for the KRJC's complete transfer to the Kyrgyz side. However, because the participants were expecting to be taught by Japanese lecturers, this policy was changed to offer lessons by Japanese lecturers as necessary, starting in FY2015⁴⁷. In the beneficiary survey, many respondents said that, although local lecturers are better in subjects such as the tax system and legislation, quality management is best learned from Japanese lecturers. When asked what was useful in terms of Japanese-style management, 44% of the respondents answered kaizen⁴⁸; they also listed 5S⁴⁹ and the valuing of quality.

Regarding Japanese language courses, the local lecturers' share of class hours was 83.3% in FY2015, which is more or less the same level it has been at since the completion of Phase 2. On the other hand, many participants want to learn the Japanese language at the KRJC precisely because of its Japanese teachers. This tendency is particularly strong among upper-class students⁵⁰.

The local staff implements mutual-understanding activities without problems, including the operation of events and teaching.

As stated above, the project's technical sustainability is high.

3.4.4 Financial Aspects of the Implementing Agency for the Sustainability of Project Effects

The KRJC's total revenue consists of income from its activities (tuition, etc.), allocations from KNU, JICA's local operation costs, and other sources (Table 6). KNU provides facilities to the KRJC and bears cost for facility maintenance and utility. The income shares relative to the total revenue from FY2015 is 39.3% for income from its own activities (including interest on retained earnings), 14.8% for allocations from KNU, 33.5% for JICA's local operation costs, and 12.5% for other sources. The total income from KRJC's activities and KNU's allocations adds up to 54.1%.

Income from the KRJC's activities includes tuition for business courses (41.2%) and Japanese language courses (15.0%), participation fees for mutual-understanding activities and user fees for the library (17.7%), and room rentals and interest on retained earnings (26.2%). Business course tuition is the largest income source.

⁴⁷ KRJC Japanese experts

⁴⁸ Kaizen is a series of activities for reviewing work that is done at production sites. Workers at the sites actively discuss measures for improvement and address issues to improve productivity and ensure safety. The concept applies not only to the manufacturing industry but also to the service industry.

⁴⁹ 5S is a method for improving rationality and efficiency by practicing sorting, setting in order, standardizing, shining, and sustaining discipline.

⁵⁰ The Japanese Teachers Association and Japanese course graduates

Table 6 Revenues and Expenditures of the KRJC (FY2011-2015)

(thousands of yen⁵¹)

	FY	2011	2012	2013	2014	2015
Revenue	KRJC self-generated income	8,768	10,996	11,445	17,437	12,720
	(Business courses)	(1,568)	(5,806)	(6,586)	(9,385)	(5,241)
	(Japanese language courses)	(1,224)	(1,650)	(2,333)	(2,426)	(1,902)
	(Mutual-understanding activities)	(332)	(618)	(725)	(3,863)	(2,250)
	(Room rentals, interest, etc.)	(5,644)	(2,922)	(1,801)	(1,762)	(3,328)
	Allocations from KNU	12,032	13,730	15,282	17,335	4,788
	JICA's local operation cost	27,088	25,539	16,120	9,978	10,842
	Other	0	0	2,964	5,123	4,048
	Total	47,888	50,265	45,812	49,873	32,399
Expenditure	Total	44,770	45,467	41,215	47,939	31,040
	(Expenditures from KRJC self-generated income)	(5,650)	(6,198)	(6,849)	(15,513)	(11,361)
Balance		3,117	4,798	4,597	1,934	1,359

Note: Except for FY2015, the allocations from KNU include hypothetical rent and hypothetical utility fees. There is no actual revenue from KNU; the same amount is included in the expenditures.

Source: Documents provided by JICA

The share of the total expenditures (operation costs) from the KRJC revenue increased from 14% at the completion of Phase 2 to 37% at the time of the ex-post evaluation⁵².

Recently, due to university education reform in Kyrgyzstan, the policy to require national universities to have financial independence has been enhanced, and after June 2015, KNU requested that the KRJC return part of the space it was using—or else to move, and pay a utilities fee. As a result of discussions at JCC and other meetings, it was decided to contribute 20% of the KRJC's revenue to KNU to account for utility and administration expenses starting in April 2016. If calculated with numbers from FY2015, this would be equivalent to almost half of the revenue from the business course tuition. Regarding the handling of this issue in the future, the main management issues and countermeasures are assessed in a study called "Data Collection Survey on Management and Needs Analysis for the Japan Centers in Asia," which also includes management analyses of all the Japan Centers except the one in Ukraine at the time of the ex-post evaluation.

Concerning the business courses, the declining number of applicants was a concern; this decline is due to private training and consulting institutions that have recently appeared, including the ones established by KRJC graduates, as well as economic stagnation and other factors. However, a sufficient number of people applied in FY2016⁵³.

⁵¹ The KRJC's self-generated income, interest on retained earnings, and allocations from KNU are in local currency, and the numbers in the table are converted to yen. The above figures are rounded to the nearest thousand, so some figures do not add up.

⁵² If the expenditure from JICA headquarters (total cost of expert dispatch, and training in Japan: 89.505 million yen) is added to the expenditures, this percentage was 13% in FY2015.

⁵³ There were 74 applicants for the 60-person class.

The tuition for the A Course in FY2016 was 18,000 soms (about 27,360 yen⁵⁴) for the daytime course and 20,000 soms (about 30,700 yen) for the evening course. Each year, tuition is set based on the tuitions of other institutions and the number of applicants. According to the beneficiary survey, the KRJC's tuition was considered mostly reasonable when compared with those of MBA programs at universities and other similar institutions⁵⁵. Under these circumstances, raising the tuition drastically seems difficult; a full strategy, including a renewal of the course curriculum, is called for.

As stated, there is a concern in terms of income and expenditure, and because the countermeasures are still under consideration, the program's financial sustainability is fair.

Some minor problems have been observed in terms of the financial aspects of the implementing agency. Therefore, the sustainability of the project effects is fair.

4. Conclusion, Lessons Learned, and Recommendations

4.1 Conclusion

This project was implemented to develop the human resources of SMEs so as to promote Kyrgyzstan's transition to a market economy and promote mutual understanding between Kyrgyzstan and Japan by implementing business courses, Japanese language courses, and mutual-understanding activities at the KRJC. The project aimed at developing the KRJC's basic structure in Phase 1 and at enhancing the KRJC's function in Phase 2.

This project was consistent with Kyrgyzstan's development plan, which aimed to transform the nation to a market economy and to develop human resources that were capable of coping with a market economy. It was also relevant to Japan's ODA policy, which focused on supporting transitions to market economies. Therefore, its relevance is high.

In the two phases combined, the total number of participants for the business courses, Japanese language courses, and mutual-understanding activities was about 10,000, 2,600, and 45,000, respectively. The project's purpose—enhancing the KRJC's functions to contribute to SMEs' human-resource development to promote the transition to a market economy, and to promote mutual understanding between the people of Kyrgyzstan and Japan—was achieved. Following Phase 2, Phase 3 was implemented; the cumulative number of participants for each of the business courses, Japanese language courses, and

⁵⁴ One Kyrgyz som was equivalent to 1.535 Japanese yen in March 2016, according to the rate JICA used (available at JICA website).

⁵⁵ For example, tuition for a MBA course at the American University of Central Asia is \$5,750 per year (https://auca.kg/en/costs_scholarships_and_financial_aid/); an MBA course at KNU costs 37,000 soms per year, and the National Management Academy's MBA course costs 46,000 soms per year.

mutual-understanding activities was about 12,000, 3,200 and 62,000 respectively by the end of FY2015. This resulted in the business course graduates founding companies and expanding their businesses, and it contributed to Japanese language education for all of Kyrgyzstan. The KRJC was fully utilized as an institution for human-resource development, contributing to the nation's transition to a market economy and providing a key place to promote the countries' mutual understanding. Therefore, effectiveness and impact of the project are high.

Although the planned project cost for Phase 1 was unclear, precluding a comparison with the phase's actual cost, the number of the Japanese long-term experts dispatched for the phase was as planned; the actual cost was within the planned amount for Phase 2. The project period was as planned for both phases. Therefore, efficiency of the project is high.

Although no major problems have been observed in policy background or in the organizational and technical aspects of the KRJC, some minor problems have been observed in terms of financial aspects, particularly regarding future financial balance. The future plan is still under consideration at the time of this ex-post evaluation; thus, the sustainability of the project effects is fair.

In light of the above, this project is evaluated to be highly satisfactory.

4.2 Recommendations

4.2.1 Recommendations to the Implementing Agency

<Considering further Collaboration with the OVOP Project>

In Kyrgyzstan, the introduction of market-oriented economy has made progress to some extent, and the changing needs of SMEs has been observed. Because of the small size of the domestic market, it is necessary to export to the neighboring countries such as Kazakhstan and Russia to create business expansion. Kyrgyzstan joined the Eurasian Economic Union (EAEU) in August 2015, creating a tailwind, and interest in the overseas market is rising among business course participants. The KRJC is reassessing its business course's contents for the future, and if this topic is included, the OVOP project would be an excellent case study. On top of the courses in basic theory and knowledge, introducing a successful case of an export from Kyrgyzstan to developed markets will help properly meet the participants' needs. As stated in 3.2.2.3 Other impacts, the KRJC has collaborated with the project in various ways. Some of the local staff members of the OVOP project are able to provide experience-based training as lecturers. The KRJC is expected to incorporate a production-site survey and an introduction to practical know-how in its business courses and to develop further collaborations with the OVOP project.

<Making a Comprehensive Strategy to Strengthen Financial Sustainability>

At the KRJC, the Kyrgyzstan-side sole directorship was established in April 2016, and efforts are being made to further strengthen the organization's finances. In FY2016, a survey of needs for the business courses and a financial analysis of the KRJC are planned. To pursue improvement in the KRJC's financial status and a comprehensive review of the business courses, it is necessary to create a complete medium-term strategy that includes financial planning. The KRJC is expected to provide services that meet local needs if it is to maintain its competitiveness into the future, based on its 14 years of accomplishments, such as providing high-quality courses and a human-resource network that has accumulated among the graduates of its business courses. To do so, it must map out definite advantages that other institutions do not possess, such as its ability to provide business know-how to cope with the latest economic environments or its services that put exporting into perspective.

4.2.2 Recommendations to JICA

<Continued Dispatch of Japanese Experts >

As stated in the section on technical sustainability, because teaching Japanese-style management is the specialty of the KRJC business courses, experienced Japanese business lecturers seem necessary. The continued dispatch of Japanese lecturers and the building of an effective partnership with local lecturers are proposed.

<Further Utilization of the KRJC through Cooperation with Other Projects in the Field of Export Promotion in Kyrgyzstan >

The value of the KRJC's existence will be further reinforced if it can accommodate the changing needs and economic environments caused by Kyrgyzstan's accession to the EAEU and other events, based on trust and on its accomplishments to date. Specifically, since about 20% of GDP in Kyrgyzstan is agriculture and livestock industry, it is expected that the KRJC will be further utilized in the field of food sanitation, which is considered to be an urgent issue for promoting the export of agricultural products and for ensuring quality management and the improvement of inspection systems for agricultural products in particular. For example, the ongoing technical cooperation projects called "The Project for Promotion of Exportable Vegetable Seed Production" (2013-2018) and "The Project for Development of the Rural Business with Forest Products" (2015-2019) both aim to promote exports. It is possible to hold seminars at the KRJC with those dispatched Japanese experts to these projects as lecturers; in the medium term, it is possible to add a function of consulting and support for export promotion to KRJC (after strengthening the KRJC's implementation system).

4.3 Lessons Learned

<Usefulness of the Follow-Up Survey>

The follow-up survey, which is implemented not only at the completion of the business course but also three months after the completion of that course, is useful not only for ensuring prompt feedback from the survey results but also for assessing impact. For many human-resource development projects, questionnaires are conducted at the end of the trainings. By implementing a follow-up survey after a certain period of the training course, the training institution can effectively utilize the results to improve the course's contents. Furthermore, if this is combined with the development of a database for the implementation agency, the operation capacity will be expected to be reinforced in the long term.