

Summary of Terminal Evaluation

I. Outline of the Project	
Country: Republic of Uzbekistan	Project title: Capacity Development of Business Persons through Uzbekistan-Japan Center for Human Development
Sector: Human Development	Cooperation Scheme: Technical Cooperation Project
Department in Charge: Private Sector Development Group, Industrial Development and Public Policy Department	Cooperation Amount (At the time of evaluation) : Total: about 500,000,000 yen, including budget for 2015 (1US\$=JPY120.2 as of 20 May 2015)
Cooperation Duration: December 2010 – November 2015	Counterpart organizations: Ministry of Foreign Economic Relations, Investments, and Trade
	Relevant Japanese organizations:
	Relevant assistances:
<p>1-1 Background and Outline of the Project</p> <p>Since its independence, Uzbekistan has been implementing gradual economic reforms with the initiative of government under the strong leadership of the President. As compared to other countries of transitional economy, economic slowdown after independence is not very significant but the economic reforms are still delayed. To assist Uzbekistan in two aspects, namely, human resources development for market-oriented economy and promotion of mutual understanding and friendship relations between Uzbekistan and Japan, JICA implemented technical cooperation projects “Uzbekistan-Japan Center for Human Development” (Phase 1: December 2000 – November 2005, Phase 2: December 2005 – November 2010). The terminal evaluation of Phase 2 confirmed that UJC has been established as a center for human resources development which contributed to market-oriented economy, and that activities of Japanese language and mutual understanding produced favorable benefit. On the other hand, it is pointed out that, to enhance impact and sustainability, review of business course and further strengthening of organization are necessary to respond to the diversified needs of small and medium scale business.</p> <p>With this backdrop, the Uzbekistan government issued a request to continue the project, and the after ex-ante evaluation in May 2010, this project was launched. In this phase, the Project is implemented with a focus on business course and it is aimed to produce business human resources who will contribute to market-oriented economy as well as to establish sustainable organizational and financial foundation of UJC.</p>	
<p>1-2 Contents of Cooperation</p> <p>(1) Overall Goal: UJC is maintained and further developed as a center that contributes to market-oriented economic reform in Uzbekistan and reinforcement of relationship including business activities between the country and Japan.</p> <p>(2) Project Purpose: Institutional and financial system to sustainably develop human resources and strengthen relationship between Uzbekistan and Japan is built in UJC and human resources that can contribute to market-oriented economic reform in Uzbekistan are produced through its activities.</p>	

(3) Outputs:

Output 1: The practical business courses that contribute to improve management of SMEs in Uzbekistan are continuously provided by UJC.

Output 2: Programs of UJC can be sustainably operated and managed by using network and local resources.

(4) Inputs

Japanese side

Equipment: 12,685,000 yen

Long-term Expert 5 Short-term Expert: 8

Trainees received: 97 (43 dispatched with air fare born by themselves) Local Cost: 24,529,000 yen

Uzbek side

Counterpart 40 Office space for UJC

Utility charges (allocated by counterpart fund of Japanese grant aid)

II. Evaluation Team

Members of Evaluation Team	1. Mr. Akihisa Tanaka	Director, Team 2, Private Sector Development Group, Industrial Development and Public Policy Department, JICA
	2. Mr. Keiji Ehara	Deputy Director, Team 2, Private Sector Development Group, Industrial Development and Public Policy Department, JICA
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Period of Evaluation	10 May 2015 – 27 May 2015	Type of Evaluation: Terminal Evaluation

III. Evaluation

3-1 Project Performance

(1) Project purpose

Project Purpose: Institutional and financial system to sustainably develop human resources and strengthen relationship between Uzbekistan and Japan is built in UJC and Human resources that can contribute to market-oriented economic reform in Uzbekistan are produced through its activities.

(Indicators)

1. At least 2,000 business persons including 100 company executives are trained annually.
2. Network with relevant people and organization(s) in Uzbekistan (such as graduates of PMP and CCI) are strengthened.
3. Maximum 35% of total UJC expenditure is covered by JICA local operation cost.

The Project Purpose is almost achieved.

- The total number of business persons participating in business courses is 1762 in 2014, slightly lower than the target level. However, the number of participants is remarkably increased from 1272 in 2011. (Indicator 1)
- The network of PMP graduates are formulated. For example. newsletters are issued for PMP graduates and regular meeting is held among some of graduates voluntarily once a week. Seminars and forums are organized in collaboration with CCI and other organizations (Indicator 2)
- The ratio of JICA local operation in total UJC expenditure is 35% in 2014. The total revenue and

expenditure of UJC account are increasing. (Indicator 3)

(2) Output

Output 1: The practical business courses that contribute to improve management of SMEs in Uzbekistan are continuously provided by UJC.

(Indicators)

1. PMP is conducted twice annually with local lecturers taking charge of more than 80% of total teaching hours for PMP.
2. Courses, seminars, events and forum organized by the collaboration with CCI and others reach 40 times.
3. The average rates of satisfaction and perceived practicality of participants are 4.0 or over (5.0 scale) in the questionnaire or survey.
4. Business Course is improved as a result of review based on needs survey.
5. The Business Course is planned and operated by local staff.

Indicators for Output 1 are achieved.

- PMP is conducted twice every year as planned. The average ratio of lectures conducted by local lecturers is 84.2%. (Indicator 1)
- A total of 62 courses, seminars, events and forum were organized in collaboration with CCI and other organizations. UJC and CCI are examining how to conduct collaborative activities given the changing environment of UJC. (Indicator 2)
- The average scores of satisfaction evaluated by participants is 4.6.(Indicator 3)
- In PMP courses, the syllabus and contents are revised each time according to the needs of business persons. Other courses are also formulated based on the needs of the business persons. (Indicator 4)
- All the business courses are planned and operated by local staff with support by Japanese experts of business course. (Indicator 5)

Output 2: System and programs of UJC can be sustainably operated and managed by using network and local resources.

(Indicators)

1. Balance of revenue and expenditure is checked and analyzed by the program-based accounting by UJC staff.
- 2 Annual UJC budget plan is prepared and monitored jointly by UJC staff and Japanese experts.
3. Management policy paper for UJC and each section (BC, JL, MU), and Action Plan to realize the policy are prepared by UJC staff themselves every year.

The indicators of Output 2 are achieved.

- The financial status of UJC is checked and monitored by UJC staff based on the responsibility assigned to each staff member in charge. (Indicator 1)
- The budget plan is formulated by UJC accountant and Japanese experts. The record of local cost is submitted every quarter to JICA Office. (Indicator 2)
- Activity plan is formulated in each section of UJC every year. The latest plan is discussed and authorized at JCC held in January 2015. (Indicator 3)

(3) Overall Goal

Overall Goal: UJC is maintained and further developed as a center that contributes to market-oriented economic reform in Uzbekistan and reinforcement of relationship including business activities between the country and Japan.

(Indicators)

1. Ratio of UJC Business Course graduates who started, developed, or expanded own business increases.
2. Overall structure and curriculum of Business Course are updated according to the needs of target population.

Overall Goal is being achieved.

- According to the questionnaire survey, those who started their own business after PMP account for 27.27%. Those who had salary increase account for 29.3%, those who had promotion for 23.78%, and those whose company increased sales for 46.85%, respectively. (Indicator 1)
- The course contents and syllabus of business course are constantly reviewed and revised. For example, in PMP new topics, such as conflict resolution were introduced. (Indicator 2)

3-2 Summary of Evaluation Results

(1) Relevance

The relevance of the Project is very high.

- The project is consistent with the needs of Uzbek society and the target group. In spite of development of market economy, apart from courses at universities, UJC is virtually the only established center that regularly and continuously offers practical business courses. UJC is the only public institute that offers Japanese language course in Uzbekistan, except for universities. In Bukhara, there is no other institute that provides business courses. The contents of business course are consistent with the needs of business persons.
- The Project is consistent with the Uzbek government policy. "Welfare Improvement Strategy of the Republic of Uzbekistan for 2013-2015" names increased competitiveness of national economy and rapid growth of the small businesses and services' sector as priorities in national economic policy. Also the Uzbek government is introducing various policies to support SMEs, including facilitation of registration and favorable tax conditions.
- In Japanese assistance policy toward Uzbekistan and the country rolling plan, "promotion of market economy and human resources development/institutional building for promotion of economy and industry" is one of three pillars of assistance.
- The project is appropriately designed. Based on the results of the project activities of the Project for Uzbekistan-Japan Center for Human Development Phase 1 and Phase 2, the plan of this Project was appropriately formulated. To develop the Project further after the previous ones and to respond better to the needs of market economy, the focus was placed on the capacity development of business persons.
- Project is designed, taking Japanese technical advantage into consideration. Japanese know-how and experiences of business management are incorporated in business course.
- Target group is appropriately selected. In terms of capacity development of business persons, entrepreneurs are adequate target group as Uzbek government places importance in growth of SMEs and the majority of businesses are SMEs.

(2) Effectiveness

Effectiveness is high.

- The Indicators of Project Purpose are almost achieved. UJC is highly recognized organization in Uzbekistan. During the terminal evaluation, the Minister of MFERIT commented that three activities of UJC, i.e., business course, Japanese language, and mutual understanding, have contributed to mutual development between Uzbekistan and Japan. It is still necessary to further consolidate the financial basis of UJC.
- The ratio of JICA local operation in total UJC expenditure is 35% in 2014, and the total revenue and expenditure of UJC account are increasing. Therefore, the establishment of a sustainable management system is being achieved. On the other hand, there still exists some concern in financial aspect.
- The logic from Output to Project Purpose is appropriate. Necessary two Outputs are designed to achieve the Project Purpose.

(3) Efficiency

Efficiency is high.

- Indicators of both Output 1 & 2 are achieved as expected. To further expand the outputs, several suggestions are made by those interviewed; for example, to expand activities in regions other than Tashkent, to publish materials to disseminate the training contents to more people, and to disseminate information about Japanese SMEs and business environment in Japan.
- Logic between inputs and outputs are appropriate. Sufficient activities are designed and implemented to produce Outputs. Also sufficient inputs are planned and implemented to produce Outputs.
- Japanese inputs are implemented appropriately. Japanese experts in charge of business course efficiently and effectively implement activities of their specialized area. Activities for Japanese and mutual understanding are well managed by experts dispatched by JF (Japan Foundation). In Bukhara, JOCV in youth activity sometimes collaborate with the Project, which brings favorable results to UJC. For example, students at nearby schools participate in events of mutual understanding events Training in Japan functions as a good opportunity for PMP graduates to get practical experience of Japanese management in actual environment.
- Uzbek inputs are also implemented appropriately. Sufficient number of C/Ps and other UJC staff are assigned. Staff turnover takes place quite often. In most cases, the position was fulfilled quite soon without major problem. In Bukhara, UJC is located in temporary office due to renovation work, which affected implementation of activities for a while.

(4) Impact

Impact is high.

- Overall Goal is likely to be achieved. Many of UJC PMP course graduates started or expanded their own business. As for Indicator 2, business courses has been updated timely and appropriately so far with active involvement of Uzbek staff. Most of business course graduates consider that the benefit of business course is high. As most graduates consider that their capacity has been improved, it is likely that more graduates will have success in starting and expanding business by continuously utilizing acquired knowledge and skills.
- Logic from Project Purpose and Overall Goal is appropriate. Project Purpose and Overall Goal is logically related without major gap and Overall Goal is likely to be achieved three to five year after the project

completion.

- There is not influence of Important Assumptions at the time of the terminal evaluation. There are no major changes affecting the Project in Uzbekistan's policy toward market economy. UJC is likely to remain as a registered NPO for education.
- A variety of unexpected positive impacts are pointed out. The followings are some of examples.
 - Business expansion through network of business courses graduates, especially PMP (Companies operated by graduates find suppliers and other contractors among companies run by other graduates.)
 - Benefit for those other than business course graduates (PMP graduates' alumni club (A-Club) held a seminar in collaboration with an environmental organization in 2014. This promoted communications and interaction between PMP graduates and those who did not participate in UJC business course. Participants of PMP is diversified, including those other than business society, for example, official at Uzbek government, official at development agency, academician at national university, among others.)
 - Benefit to Uzbekistan society (More value-added products developed by graduates are favorably accepted by Uzbek society)
 - Reciprocal benefit between Uzbekistan and Japan (A Company owned by PMP graduates imported machines from Japanese company. Another company operated by a graduate exports their products to Japan. UJC have more visitors of Japanese SMEs than before. Through training in Japan, close relationship is created between some of Japanese universities and UJC.
 - Social contribution by graduates (Graduates of PMP call for donation and other social contribution activities)
- No negative impacts have been observed so far.

(5) Sustainability

Sustainability is generally high although it is still necessary to strengthen financial foundation.

- In policy aspect, sustainability is high. Current policy paper ("Welfare Improvement Strategy" 2013-2015) states the priority in growth of SMEs. According to interview, it is likely that MFERIT continuously support SMEs and support by MFERIT to UJC is likely to continue.
- Organizational sustainability is high. It is likely that UJC remains as educational NPO. In addition, the institutional capacity of implementation and coordination of UJC is improving. UJC is operated mainly by local staff without major problem though sometimes support by Japanese experts is necessary. Turnover of UJC staff is rather frequent but the position is replaced without major problems in most cases.
- Financial sustainability is gradually strengthening but further improvement is still necessary. The tendency is that the annual income of UJC is increasing. In addition to the income through UJC activities, the budget of UJC include JICA budget, JF budget, and counterpart fund through grant aid. However, it is necessary to strengthen the financial basis of UJC with more share of UJC's own income. Tuition of UJC courses is major income source of UJC. Reexamining tuition may be one solution to increase income but careful consideration is necessary so that tuition raise will not affect application.
- Technical sustainability is high in general. Graduates of business courses are successfully developing their career, utilizing the knowledge and skills acquired during the course. Some of them hope that it may be helpful if UJC provides consulting services specifically targeted to their own business needs.

3-3 Factors promoting better sustainability and impact

(1) Factors concerning to Planning

- As a result that sufficient activity was planned, it was led to the outcome achieved. Also in the relationship between the outcomes and the project objectives, two outcomes that required for the project goals have been properly set.

(2) Factors concerning to the Implementation Process

- The capacity and motivation of local staff was high.
- The project management system was established quite well after two phases of UJC project. Also the capacity of UJC staff has been gradually improved through previous projects.
- The number of graduates has been increased during fifteen years' operation of UJC and their interaction and the network of graduates is strengthened. This further facilitates career development of the graduates as graduates can exchange information on their current businesses.

3-4 Factors inhibiting better sustainability and impact

(1) Factors concerning to Planning

Nothing special.

(2) Factors concerning to the Implementation Process

- The office of UJC Bukhara Branch was moved to another place in the University campus. This moving of the office affected activities, for example, affecting the number of visitors. UJC Bukhara Branch is planned to be back in the previous office in 2016. Anyhow, since there are no regular business courses in Bukhara, it had no impact on the project goals and outcomes achieved.

3-5 Conclusion

The Project was implemented without major problem and produced Outputs as planned. Project Purpose is achieved and Overall Goal is likely to be achieved. The evaluation of Relevance, Effectiveness, Efficiency, and Impact is high. As for sustainability, there still exists some concern in financial aspect. Nevertheless, as Project Purpose is achieved and overall evaluation is high, it is concluded that the Project is successful. Therefore the Project will be completed in November 2015 as planned.

3-6 Recommendations (Recommendations to UJC)

1. Improvement of UJC operation with characteristics and strength of Japan

As management system of UJC is being steadily established through the fifteen years' of cooperation, at present, it is necessary to recognize that the importance and comparative advantage of UJC is to provide the original contents made in Japan.

2. Strengthening of financial foundation

It is recommended to take measures to further strengthen the revenue of UJC. Possible solutions are; to review tuition of PMP, to hold more cost-share trainings in Japan, and to introduce new services with charges, for example, charged seminars and consulting services. In regard to seminars and consultation with charges, it is important to provide quality services worth paying.

3. Expansion of information services

In parallel to training, information services will be important activity of UJC. It is desired that UJC provide graduates with business information, including information about Japanese SMEs and business environment in Japan. At the same time, providing information about Uzbekistan economic situations and UJC graduates, through establishing a database for those information, may be useful for Japanese companies.

4. Expansion of public relations activities

In addition to information services above mentioned, public relations activities are desired. For example, presenting successful graduates to general public through newsletters and Facebook will lead to increase of applicants.

5. Strengthening collaboration with related organizations

It is recommended to have more close communication with development agencies conducting similar activities in business sector and Uzbek organizations such as CCI. It may be effective to conduct training or seminar in collaboration with these organizations if necessary.

3-7 Lessons Learned

In some technical cooperation projects, outputs are produced when cooperation is implemented for a long time. In this cooperation, UJC have conducted training courses and produced business persons for fifteen years. The increase of business course graduates expanded the network of graduates. As a result, some graduates jointly operate a company and some graduates expand their businesses through suppliers and contractors where another graduates work. In this case, it can be said that the major output of cooperation has been continuous capacity development of business persons. In addition, information of graduates and networks and interactions of these graduates are also considered as the important outputs, rather better to say as “assets”, of the long-term cooperation. Therefore, recognizing the effect of the network among project stakeholders comes from long term cooperation, it is desirable to plan the project framework and activities for strengthening the network and creating a further impact.

3-8 Follow-up

After completion of this project, it is a newly planned a five-year technical cooperation "Project for Capacity Development of Business Persons and Networking through Uzbekistan-Japan Center for Human Resources Development".