

## Summary of Terminal Evaluation

<b>I. Outline of the Project</b>	
<b>Country</b> : Republic of Kyrgyz	<b>Project title</b> : Project for Capacity Development of Business Persons through the Kyrgyz Republic-Japan Center for Human Development
<b>Sector</b> : Human Development	<b>Cooperation Scheme</b> : Technical Cooperation Project
<b>Department in Charge</b> : Private Sector Development Group, Industrial Development and Public Policy Department	<b>Cooperation Amount</b> (At the time of evaluation) : Total: about 270,000,000 yen, including budget for 2015 (1US\$=JPY120.5 as of 10 September 2015)
<b>Cooperation Duration</b> : April 2013– March 2016	<b>Counterpart organizations</b> : Kyrgyz National University (KNU)
	<b>Relevant Japanese organizations</b> : Japan Foundation
	<b>Relevant assistances</b> :
<b>1-1 Background and Outline of the Project</b> The Government of Kyrgyz Republic has promoted reforms to turn toward democracy and market-oriented economy since its independence in 1991. However, the country does not have much natural resource or leading industry, and as its domestic market has faced with international competition due to rapid economic liberalization, the country could not achieve stable growth; the poverty rate remains high. Nevertheless, the country possess some advantages such as high standard of education among the labor force, climate well suited to agricultural/livestock production, and it has regions with development potentials. The country needs to fully utilize these advantages to develop agricultural processing and other key industries, as well as to attract foreign direct investment in order to strengthen industrial foundation, thereby achieving sustainable economic growth. To realize this, development of human resources and institutional organization to support industrial development as well as development of economic infrastructure is urgently needed. Based on these background, the Government of Kyrgyz Republic and the international assistance committee led by the Government of Japan established Kyrgyz-Republic Japan Center for Human Development (KRJC) in 1995 to promote market-oriented economic reform and to strengthen relationship between two countries. JICA has supported the capacity building through Kyrgyz-Japan Center for Human Development Project (April 2003 – March 2008) and the Kyrgyz-Japan Center for Human Development Project Phase 2 (April 2008 – March 2013). The Government of Kyrgyz Republic requested the Government of Japan for another project to further support KRJC's institutional capacity and its ability to provide quality business courses. JICA started the Project for Capacity Development of Business Persons through the Kyrgyz Republic-Japan Center for Human Development. In this Project, focus is placed on the development of business human resources who will contribute to market-oriented economic reform, and improvement of KRJC's institutional and financial sustainability.	
<b>1-2 Contents of Cooperation</b> (1) Overall Goal : KRJC becomes a core center to produce trained business personnel to help developing the market oriented economy in Kyrgyz Republic. (2) Project Purpose : Sustainable institutional mechanism and functions are established at KRJC as a center of human resource development in Kyrgyz Republic. (3) Outputs : Output 1: Sustainable organizational and managerial mechanism implemented by KRJC staff is established. Output 2: KRJC's function as a training center for business persons is strengthened. (4) Inputs Japanese side Equipment: 3,093,000 yen Long-term Expert 3 Trainees received: 30 Kyrgyz side Counterpart Co-director 1, Permanent staff 12 Utility charges Short-term Expert: 7 Local Cost: 35,257,000 yen Office space for KRJC	
<b>II. Evaluation Team</b>	

<b>Members of Evaluation Team</b>	1. Mr. Takafumi Ueda      Senior Advisor (Private Sector Development), JICA 2. Mr. Keiji Ehara      Deputy Director, Team 2, Private Sector Development Group, Industrial Development and Public Policy Department, JICA 3. Ms. Erika Tanaka      Senior Researcher, Global Link Management, Inc.
<b>Period of Evaluation</b>	2 September 2015 – 20 September 2015 <b>Type of Evaluation :</b> Terminal Evaluation
<b>III. Evaluation</b>	
<b>3-1 Project Performance</b>	
(1) Project purpose	
<b>Project Purpose: Sustainable institutional mechanism and functions are established at KRJC as a center of human resource development in Kyrgyz Republic.</b>	
The Project Purpose is expected to be achieved.	
(Indicators)	
1. Feasible management plan with personnel plan and budget plan is formulated with the initiative of the Kyrgyz side by the end of the Project.	
2. KRJC mid-term management plan (5 years) is formulated with the initiative of the Kyrgyz side by the end of the Project.	
3. Networking and cooperation activities with domestic and international organizations, firms and personnel are developed constantly by KRJC as a major human development center of the business personnel in Kyrgyz Republic.	
(Achievement)	
<ul style="list-style-type: none"> <li>- The KRJC management plan including budget and personnel plan is formulated every year with active participation of Kyrgyz local staff. (Indicator 1)</li> </ul>	
<ul style="list-style-type: none"> <li>- The Mid-term Operation Plan was formulated, incorporating opinions and suggestions by the local Kyrgyz-side staff and discussed at Joint Coordination Committee (JCC) in May 2015. The plan was signed during the Terminal Evaluation. (Indicator 2)</li> </ul>	
<ul style="list-style-type: none"> <li>- KRJC is implementing collaborating activities, and it is likely that KRJC continues these activities. Examples are; business course in collaboration with University of Central Asia (UCA), and collaborative activities like seminars, with Japanese universities. (Indicator 3)</li> </ul>	
(2) Output	
<b>Output 1: Sustainable organizational and managerial mechanism implemented by KRJC staff is established.</b>	
Indicators for Output 1 are achieved.	
(Indicators)	
1-1 The JICA's expenditure for the Project operation will be reduced 40% by the end of the Project.	
1-2 Organizational function chart is formulated and updated periodically by KRJC staff.	
1-3 KRJC staff are able to prepare the annual implementation plan with budget plan, and to implement it.	
1-4 KRJC staff are able to prepare the activity report semi-annually.	
1-5 KRJC staff are able to prepare the financial statement according to each activity and include it in the activity report.	
1-6 The annual activity report and the annual implementation plan are approved in JCC annually.	
1-7 KRJC staff are able to conduct planning, implementation and management by more independence by the end of the Project.	
1-8 The KRJC mid-term management plan (5 years) with KRJC's mission, policy and major activities is compiled by the end of the Project.	
(Achievement)	
<ul style="list-style-type: none"> <li>- Annual revenue of KRJC is approximately US\$110,000 in fiscal 2013 and US\$150,000 in fiscal 2014 respectively. The ratio of expenditures by JICA in total KRJC expenditure is 62.2% in fiscal 2013 and 32% in 2014. In fiscal 2011, respectively. During Phase 2, the total KRJC revenue is about US\$110,000 and the ratio of expenditures by JICA was 83%. This means significant financial improvement in recent years of this phase. (Indicator 1-1)</li> </ul>	
<ul style="list-style-type: none"> <li>- Organizational function chart is formulated and updated by KRJC staff more than once in a year regularly. (Indicator1- 2)</li> </ul>	
<ul style="list-style-type: none"> <li>- Annual implementation plan and budget plan are formulated with the initiative of Kyrgyz side Co-Director and Senior Manager. (Indicator 1-3)</li> </ul>	
<ul style="list-style-type: none"> <li>- Semi-annual activity reports are formulated with the initiative of Kyrgyz side Co-Director and Senior Manager. (Indicator 1-4)</li> </ul>	
<ul style="list-style-type: none"> <li>- Financial statements are formulated and included in the activity report with the initiative of Kyrgyz side Co-Director and Senior Manager. (Indicator1- 5)</li> </ul>	
<ul style="list-style-type: none"> <li>- The annual activity report and the annual implementation plan are approved at JCC every year. The documents for JCC are prepared by Kyrgyz local staff under the leadership of Co-Director and Senior Manager. (Indicator 1-6)</li> </ul>	

- A variety of activities are planned and implemented with the initiative of Kyrgyz local staff, including A Course and thematic seminars with the supplemental support of Japanese experts. Corporate course (C course) for Gazprom Neft Asia (petroleum corporation) was conducted by local Kyrgyz lectures. (Indicator 1-7)
- The Mid-term Operation Plan of KRJC was formulated, incorporating comments and suggestions by local Kyrgyz staff. The Mid-term Plan was presented to JCC held in May 2015. The Plan is planned scheduled to be approved during the Terminal Evaluation. (Indicator 1-8)

## **Output 2: KRJC's function as a training center for business persons is strengthened.**

The indicators of Output 2 are achieved except 2-1 (No. of participants).

(Indicators)

2-1 Number of participants exceeds 85% of each course capacity, and average satisfactory rate of participants exceeds 70%.

2-2 Number of the practical benefits from courses reported by ex-participants such as business-establishment, career-up, improvement of management in the firm etc.

2-3 Number of developed lecturers (including part-timers) who are able to conduct lectures by themselves exceeds 2 persons each in 4 main subjects such as Business Planning, Marketing, Production and Quality Management, and Human Resource Management.

2-4 Share of teaching time by Kyrgyz lecturers constantly increase.

2-5 The system to develop and update curriculums and materials periodically is established.

2-6 KRJC staff are able to conduct planning, implementation, and management of business course with more independence by the end of the Project.

2-7 Database of ex-participants and alumni members are periodically updated and utilized.

2-8 Follow-up activities for ex-participants and alumni members are conducted regularly.

2-9 Type and number of networking activities and concrete collaboration programs with various organizations in the field of human development of business personnel.

(Achievement)

- The ratio of participant against capacity ranges from 64% to 90% and the average ratio of satisfaction is 73% to 91% in five rounds of business course (A-course). (Indicator 1)
- According to the survey conducted by the Project, a substantial ratio of participants reported that they have benefited from courses, for example, expansion of their businesses and career development. (Indicator 2-2)
- There are three local Kyrgyz lecturers for business planning, three for marketing, two for Production Quality Management (PQM), and two for Human Resource Management (HRM). (Indicator 2-3)
- The share of teaching time by Kyrgyz local lecturers increased from 70% in Round 13 to 76% in Round 17. (Indicator 2-4)
- Curriculum and materials are reviewed and updated periodically incorporating feedback of participants. (Indicator 2-5)
- A majority part of business courses are planned and implemented by KRJC staff with support by Japanese experts. Also, the comprehensive planning and management of KRJC courses are implemented by KRJC staff. Indicator 2-6)
- The database of ex-participants is updated twice a year after each mini MBA course. It is being frequently utilized for announcement dissemination through e-mail listed in the database. (Indicator 2-7)
- A total of seven follow-up activities were held in 2013, six follow-up activities in 2014, and six in 2015. (Indicator 2-8)
- Several collaborating activities with related organizations were successfully conducted, including business course in Tajikistan in collaboration with UCA and collaboration with Japanese universities. (Indicator 2-9)

## **3-2 Summary of Evaluation Results**

### **(1) Relevance**

The relevance of the Project is high.

- In the Kyrgyz Republic, it is essential to develop human resources to promote business sectors to achieve socio-economic development. Although several universities offer MBA course, business course (mini MBA course) provided by KRJC is consistent with the needs of business persons.
- In the "National Sustainable Development Strategy for the Kyrgyz Republic (2012-2017)", importance is placed on private sector development. Promotion of investment and diversification of economic sectors are among major strategies.
- In Japanese ODA policy toward the Kyrgyz Republic, there are two priority areas; Priority one is maintenance of transportation infrastructure and improvement of regional disparities, and Priority two is restructuring of social infrastructure. Under the Priority one, promotion of business and agriculture is included as well as development of transportation infrastructure and improvement of governance and policy formulation capacity.

- After the completion of Phase 2, this phase of the Project was formulated with more focus on business human resource development, incorporating the needs of private sector promotion.
- Two components, i.e., strengthening of KRJC organization itself and improvement of KRJC's function as business training center are designed to achieve the Project Purpose. Both components are important to achieve the Project Purpose.
- Japanese technical advantage is incorporated in the Project design. Japan has rich experiences of private business management, and Japanese management, including PQM, HRM, and communication, is highly evaluated in the Kyrgyz Republic as well as other countries.

#### (2) Effectiveness

Effectiveness is high.

- The Indicators of Project Purpose are being achieved. The capacity and commitment of Kyrgyz side staff is improving during the project and the Project Purpose is being achieved with the initiative of Kyrgyz side C/P and staff. They are actively involved in formulation of the Mid-term Operation Plan. They tried to implement activities in collaboration with related organizations and some collaborative activities were actually implemented in success.
- The logic from Output to Project Purpose is appropriate. Two components, strengthening of organizational capacity and enhanced function of business training center, are essential to achieve the Project Purpose.

#### (3) Efficiency

Efficiency is high.

- Outputs are almost achieved as expected. Indicators for Output 1 are achieved in general. The capacity of KRJC staff is improved and management of KRJC is being improved with the initiative of KRJC staff. As for Output 2, the target of Indicator 2-1, number of participant, has not been achieved since Round 15. The remaining Indicators for Output 2 are almost achieved and it is considered that KRJC's function as business training center is being strengthened.
- Logic between inputs and outputs are appropriate. Necessary activities are designed to achieve Output. Business courses in Tajikistan and collaboration with Japanese universities were not included in PDM and conducted as part of activities to promote collaboration with related organizations. Both are conducted successfully and bring benefit as described above.
- Sufficient inputs are planned to produce Output. All the inputs are well utilized and contributed to produce outputs.
- There are no Important Assumptions that may hinder the achievement of Outputs.

#### (4) Impact

Impact is medium.

- It is likely that Overall Goal will be achieved in near future. At the time of the Terminal Evaluation, it is probable that 100 graduates (A, B, and C courses put together) are actively working annually. Some of graduates become quite successful in their career or business. There is a prospect that more ex-graduates will be active and successful in business in near future, but to evaluate the achievement of Overall Goal precisely, it is necessary to conduct a detailed tracer survey of graduates with clear definition of "actively working".
- The recognition and reputation of KRJC is quite high, as a result of Project implementation, according to interview with ex-participants and related organizations.
- Logic from Project Purpose and Overall Goal is generally appropriate, however, it should be noted that there are some

external factors in achieving Overall Goal, for example, economic situation and individual capacity and motivation of graduates. At some companies run by KRJC graduates, they have difficulties in hiring personnel necessary for their business such as technician and administrative clerk.

- Favorable impacts can be observed on the performance of company to which graduates belong.
- Unintended positive impacts are produced through activities in collaboration with related organizations that were conducted as a part of component to strengthen the function of KRJC. Business course in Tajikistan conducted in collaboration with UCA produced benefit to business persons in Tajikistan. It also contributed to promotion of regional cooperation. Another collaborative activity, collaboration with Japanese universities, is bringing benefit for Japanese university. It promotes dissemination of information on economy, society and culture of the Kyrgyz Republic to Japan. As an impact of long-term operation of KRJC, currently four graduates of A course are working at KRJC as lecturer.
- No negative impacts have been observed so far.

#### (5) Sustainability

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

- The current policy paper “The National Sustainable Development Strategy” covers the policy up to the year 2017, therefore, the policy to promote market economy will continue for the near future. It is likely that the Ministry of Finance and Ministry of Education and Science continuously support operation of KRJC.
- The implementation and coordination capacity of KRJC is improving. A majority of activities are implemented by C/P and KRJC staff.
- The status of KRJC as NPO will not be changed.
- Annual income of KRJC is increasing and the ratio of KRJC revenue in total expenditure is also improving. In spite of increase of annual income and the ratio of KRJC revenue in total expenditure, it is still far from full financial independency. KRJC is trying to increase its revenue through expanding profitable activities such as C course and collaboration with Japanese universities.
- KRJC staff are stably placed during this phase. They are able to conduct their duty on their own although assistance from Japanese experts is still necessary. In business course, the role of local lecturers is getting more important. The capacity of most local lecturers is improving but Japanese assistance is still necessary
- Knowledge and skill transferred by Japanese experts are utilized by KRJC staff. Successful graduates are utilizing knowledge and skills acquired during business courses. As a kind of assets during business courses implemented for a long-time, many graduates exchange information and suggestions through G-club network.
- Equipment provided is utilized well maintained.
- The Mid-term Operation Plan is formulated, therefore, activities will be continuously implemented based on the Plan.

### 3-3 Factors promoting better sustainability and impact

#### (1) Factors concerning to Planning

- KRJC is periodically reviewing business course to meet the demands of business persons working in private sector.

#### (2) Factors concerning to the Implementation Process

- KRJC staff was stably placed during the phase. A fair and effective personnel evaluation system is established at KRJC

and regular review of staff performance is conducted. The capacity of local staff is improved through OJT.

- Development of management tools such as work manual and approval sheet facilitated overall management.
- For successful business development of graduates, it is considered that follow-up and consulting are effective. Communication and information sharing among graduates are also useful.

### **3-4 Factors inhibiting better sustainability and impact**

#### **(1) Factors concerning to Planning**

Nothing special.

#### **(2) Factors concerning to the Implementation Process**

- Communication with some related organizations, including KNU was not always very smooth.
- The number of participants of business course is decreasing, because Kyrgyz economy is stagnated, other organizations provide similar business courses, and there may be market saturation.

### **3-5 Conclusion**

Activities were implemented almost as planned. Indicators of Output and Project Purpose are being achieved in general. Achievement of Overall Goal is expected to some extent but there is still some concerns including external environments. Sustainability is generally high although it is still necessary to strengthen financial foundation.

As mentioned above, there are some issues to be improved, however, the Project Purpose is likely to be achieved. Therefore, it is concluded that the Project be completed in March 2015 as planned.

### **3-6 Recommendations**

(Recommendations to KRJC for the remaining period of the project)

#### Continuous capacity development of KRJC staff

As the capacity development of KRJC is one of important component of the Project, it is recommended that the Project continuously strengthen the capacity of KRJC staff. In addition to OJT, it is considered effective to review and improve management system and tools such as work manuals and approval sheet by the end of the Project.

(Recommendations for a longer-term)

#### Continuous improvement of business course

As an organization of business human resource development, it is essential to offer attractive courses. There are some organizations that offers similar business courses and there is a declining tendency in number of applicants of A course. KRJC should continuously review and revise the curriculum and course contents to make the courses attractive for business persons, incorporating Japanese experiences.

#### Strengthening of financial foundation

It is necessary to further strengthen financial basis of KRJC through increased implementation of activities that increase KRJC's own revenue. For example, consultation services for companies and activities in collaboration with Japanese universities are

expected to be implemented more actively.

#### Strengthening activities of collaboration with Japanese universities

As mentioned above, activities with Japanese universities are currently one of income sources of KRJC. In addition, collaboration with Japanese universities have benefit to Japanese universities and students. In this viewpoint, it is recommendable to expand activities with Japanese universities as a part of activities to contribute to improvement relations between the Kyrgyz Republic and Japan.

#### Support for business course graduates

It is necessary to provide support for business course graduates. Possible activities are; follow-up training, information provision, and facilitation of business matching. It is reported that graduates in managerial position sometimes have difficulties in finding personnel such as technician and administrative clerk, therefore, it may be useful to provide information on personnel in collaboration with other organizations of vocational training or human resource development. Also as many graduates find useful information through fellow graduates, it is recommendable to promote alumni network, G-club.

#### Collaboration with KNU

It is recommendable to strengthen relations with KNU. It would be beneficial for both KNU and KRJC to have joint activities in collaboration, for example, sending KRJC lecturer to MBA course at KNU. To implement collaborative activities, it is necessary to have close communications between KNU and KRJC.

### **3-7 Lessons Learned**

#### Importance of “management tools” for a long-term project

At KRJC, management tools, such as work manual and approval sheet, facilitates smooth management of the project. By developing and continuously updating these management tools, KRJC has been reviewing and improving management system in three phases. This kind of management tools are especially important for a project implemented for a long time because with these management tools, it is possible to leave record of management, and newly allocated personnel, Japanese or local, can trace the long-term project progress.