

Country Name	Project for Capacity Development of Business Persons through Mongolia-Japan Center for Human Resources Development
Mongolia	

I. Project Outline

Background	<p>Mongolia has been promoting transition to a market economy since the 1990s. The Mongolian economy showed sharp growth thanks to the rising prices of abundant mineral resources. On the other side, the share of foreign investment in the sectors other than mining was not increased. With this background, promotion and expansion of small and medium enterprises (SMEs) was a key issue in terms of diversification of industry and job creation. JICA has been establishing a “Japan Center” in countries in transition towards a market economy as a platform for human development of business persons and for nurturing human relations with Japan. As a part of such support, in Mongolia, the Japan-Mongolia Center for Human Resource Development (MOJC) was established in 2002. JICA provided support through the technical cooperation projects, namely “Japan-Mongolia Center for Human Resources Development Cooperation” (Phase 1: 2002-2007, Phase 2: 2007-2012), and achievements were made to a certain level. Meanwhile, with the rapid business expansion of Mongolian enterprises, training and consultation on more sophisticated knowledge and business skills became required at MOJC. In addition, localization of MOJC management, including human resource development of Mongolian lecturers, was required for sustainable operation of MOJC.</p>												
Objectives of the Project	<p>At MOJC, through providing business services to improve the management of the companies as well as operation and management of MOJC according to the plan(s) prepared by its staff members, the project aimed to establish the institutional structure and the functions of MOJC as a center developing highly qualified business persons, thereby contributing to continuous training of business persons who could deal with the diversified industries in Mongolia.</p> <ol style="list-style-type: none"> Overall Goal: MOJC continuously train business persons who can deal with the diversified industries in Mongolia. Project Purpose: The institutional structure and the functions of MOJC as a center of developing highly qualified business persons are established. 												
Activities of the Project	<ol style="list-style-type: none"> Project Site: Ulaanbaatar and other cities Main Activities: <ol style="list-style-type: none"> Activities regarding business services: Needs survey on business human resource development at companies and government, Preparation of an annual business plan for business courses, Operation/management/monitoring of business courses and programs, Training of Mongolian lecturers in the business courses and programs, Development/maintenance/updates of the database of Mongolian lecturers and former trainees, Promotion of networks of business persons, including former trainees and business organizations (including Japanese companies), etc. Activities regarding the operation and management of MOJC: Clarification of the roles and responsibilities of the MOJC Mongolian Director, Updating of the MOJC organizational chart, Development of an annual business plan/an annual staff training plan, Monitoring of the activities according to the annual business plan, Publication of an annual report, etc. Inputs (to carry out above activities) <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Japanese Side</td> <td style="width: 50%;">Mongolian Side</td> </tr> <tr> <td>1) Experts: 22 persons (Long-term: 4, Short-term: 18)</td> <td>1) Staff Allocated: 27 persons (MOJC staff)</td> </tr> <tr> <td>2) Trainees Received: 39 persons</td> <td>2) Land, facilities, etc. including office for experts</td> </tr> <tr> <td>3) Equipment: Computers, projectors, photocopiers, etc.</td> <td>3) Local cost</td> </tr> <tr> <td>4) Local cost</td> <td></td> </tr> </table> 			Japanese Side	Mongolian Side	1) Experts: 22 persons (Long-term: 4, Short-term: 18)	1) Staff Allocated: 27 persons (MOJC staff)	2) Trainees Received: 39 persons	2) Land, facilities, etc. including office for experts	3) Equipment: Computers, projectors, photocopiers, etc.	3) Local cost	4) Local cost	
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Project Period	January 2012 – April 2015 (Extended period) January 2015 – April 2015	Project Cost	(ex-ante) 220 million yen, (actual) 208 million yen										
Implementing Agency	National University of Mongolia (NUM)												
Cooperation Agency in Japan	-												

II. Result of the Evaluation

<Constraints on Evaluation>

- The “Japan-Mongolia Center for Human Resources Development Cooperation Project” (Phase 1&2) was implemented prior to this project, and following this project, the “Project for Enhanced Function of Mongolia-Japan Center for Human Resources Development for Capacity Development and Networking of Business Persons” (2015-2020) has been implemented, supporting business human resource development and business exchange through dispatch of experts. Therefore, it was difficult to assess the continuation status of the effects produced only by this project at the ex-post evaluation.

<Special Perspectives Considered in the Ex-Post Evaluation>

- Regarding the indicator of the Overall Goal, i.e., the number of MOJC business course graduates who are actively working in the field of diversified industries, as it was not feasible to conduct a follow-up survey of all the graduates during the ex-post evaluation, the data about the business types and the positions of participants at the time of training was compiled and used as a part of the indicator.

1 Relevance

<Consistency with the Development Policy of Mongolia at the Time of Ex-Ante Evaluation and Project Completion>

The “Millennium Development Goals-Based Comprehensive National Development Strategy of Mongolia” (2008-2021), the long-term development strategy of the Mongolian government, stressed poverty reduction through economic growth led by the private sector. At the time of the project completion, the “Action Plan of the Government of Mongolia” (2016-2020) mentioned the importance to create employment opportunities and to develop better business environment.

<Consistency with the Development Needs of Mongolia at the Time of Ex-Ante Evaluation and Project Completion>

At the time of ex-ante evaluation, the needs for developing and strengthening the SMEs and for developing business human resources were high. Since its establishment in 2002, MOJC had been operated by the Japanese side through technical cooperation projects, but in April 2012, it became an institute attached to the NUM and its operation was transferred basically to the Mongolian side. Following this, it was required to establish a sustainable and smooth operation structure of MOJC. No change in the needs was observed at the time of project completion.

<Consistency with Japan’s ODA Policy at the Time of Ex-Ante Evaluation>

In the Country Assistance Program for Mongolia (November 2004), support for institution building and human resource development necessary for promoting a market economy was listed as one of the four priority areas.

<Evaluation Result>

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

2 Effectiveness/Impact

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

The Project Purpose was achieved by the project completion. More than 90% of the business course graduates were satisfied with the courses. As to the indicator about the appropriateness of operation and management capacity, although the balance of the business courses of MOJC was in deficit, other indicators achieved its target.

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

The project effects have continued to the time of ex-post evaluation. The degree of satisfaction among the business course trainees has been maintained at around 90% every year. As to the indicator of the operation and management of MOJC, the accounting balance of business courses, which had been in surplus at the project completion, became in deficit in 2016 and 2017, but turned into surplus in 2018. The percentage of the local cost owed by JICA in total necessary costs for MOJC operation has been maintained below 20%. The annual operation plan and the annual budget plan have been prepared through discussions with the Japanese experts dispatched by the on-going project, i.e., “Project for Enhanced Function of Mongolia-Japan Center for Human Resources Development for Capacity Development and Networking of Business Persons”.

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

The Overall Goal has been achieved. With the increase of business course graduates, the number of graduates of managerial or higher position (excluding the mining sector) increased from 171 in 2015 to 607 in 2018. The percentage of graduates of managerial or higher position out of all the graduates also increased. In addition, more than 90% of the business course graduates are engaged in industries other than the mining sector, for example, service, manufacturing and retail sectors.

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

Other positive impacts are observed at the time of the ex-post evaluation. As a result of business human resource development at MOJC, network has been established among companies where business course graduates are employed, and business deals and information exchange have been conducted among those companies. Furthermore, some companies, where business course graduates are working, participated in FOODEX-2019, one of the largest scale food expositions in Asia. The business courses at MOJC is highly evaluated, and the term “5S-Kaizen” has prevailed so widely that it became a common word in Mongolia. No negative impact has been observed.

<Evaluation Result>

Therefore, the effectiveness/impact of the project is high.

Achievement of Project Purpose and Overall Goal

Aim	Indicators	Results															
(Project Purpose) The institutional structure and the functions of MOJC as a center of developing highly qualified business persons are established.	(Indicator 1) Average satisfactory rate exceeds 90% among the business course trainees upon completion (all courses conducted by the Business Division apply (i.e., basic course, advanced course, special course, course for government officials))	Status of the Achievement: achieved (continued) (Project Completion) • The ratio of business course trainees who answered “satisfactory” or “highly satisfactory” was 85% on average among all courses in 2013. In 2014, at the time of the terminal evaluation, the average of all courses was close to 90%, that is, 100% in Quality Control (special course), 75% in Business Plan (special course), and 74% in Organizational Achievement Management (advance course). It was expected that the target would be achieved in 2014 but the detailed data was not available.. (Ex-post Evaluation) Percentage of Business Course Trainees Who Answered “Satisfactory” or “Highly Satisfactory” (including courses conducted by lecturers other than Mongolians*) <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Year</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Average (lectures only)</td> <td>89.0%</td> <td>87.7%</td> <td>92.8%</td> <td>90.0%</td> </tr> <tr> <td>Average (including training at companies)</td> <td>90.7%</td> <td>87.7%</td> <td>93.1%</td> <td>92.9%</td> </tr> </tbody> </table> *Japanese experts are dispatched to the business course by the on-going project.	Year	2015	2016	2017	2018	Average (lectures only)	89.0%	87.7%	92.8%	90.0%	Average (including training at companies)	90.7%	87.7%	93.1%	92.9%
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(Indicator 2) Operation and management capacity of MOJC as a whole are assessed as “Appropriate”	Status of the Achievement: partially achieved (continued) (Project Completion) • 2-1: Not achieved. The accounting balance of the business courses was in deficit of 37.49 million Mongolian Tugrik (MNT) in 2012 but turned into surplus of 3.03 million MNT. In 2014, there was a																

	<p>according to the Japanese experts and the National University of Mongolia.</p> <p>Appropriate level:</p> <p>2.1 The balance of the business courses of MOJC is surplus.</p> <p>2.2 The percentage of the local cost owed by JICA among total necessary costs for the MOJC operation is lower than 20%.</p> <p>2.3 The MOJC staffs make the annual operation plan and the budget plan, and implement them by themselves.</p>	<p>deficit of 6.89 million MNT.</p> <ul style="list-style-type: none"> 2-2: Achieved. The percentage of the local cost owed by JICA among total costs for MOJC was decreased from 21% in 2012 to 19% in 2013. In 2014, it was 14%. 2-3: Achieved. The annual operation plan was developed with the initiative of Business Support Division staff. The annual budget plan was also formulated by the staff, almost on their own, with some advice by the Japanese experts dispatched by the on-going project. <p>(Ex-post Evaluation)</p> <ul style="list-style-type: none"> 2-1: Partially achieved. The accounting balance of the business courses was in deficit of 37.94 million MNT in 2015, 11.39 million MNT in 2016 and 30.93 million MNT in 2017, but in 2018 the revenue was substantially increased thanks to the increase of the number of courses and the increase of tuition, and the balance turned into surplus of 16.75 million MNT. 2-2: Continued. <table border="1" data-bbox="608 439 1485 555"> <thead> <tr> <th colspan="5">Percentage of Local Cost Owed by JICA out of Total Necessary Cost for MOJC</th> </tr> <tr> <th>Year</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Percentage of local cost owed by JICA</td> <td>13.6%</td> <td>15.8%</td> <td>18.1%</td> <td>15.0%</td> </tr> </tbody> </table> <p>*The local cost owed by JICA in 2015 and onward is input by the on-going project.</p> <ul style="list-style-type: none"> 2-3: Continued: Based on the Medium-term Operation Plan (2016-2019) of the whole MOJC, which was prepared under the project, the budget plan for the designated term is being developed through discussions with the Japanese experts dispatched by the on-going project. 	Percentage of Local Cost Owed by JICA out of Total Necessary Cost for MOJC					Year	2015	2016	2017	2018	Percentage of local cost owed by JICA	13.6%	15.8%	18.1%	15.0%																				
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<p>(Overall Goal)</p> <p>MOJC continuously train business persons who can deal with the diversified industries in Mongolia.</p>	<p>(Indicator 1)</p> <p>The number of MOJC business course graduates who are actively working in the field of diversified industries is more than 150 per year.</p> <p>Meanings of the terms:</p> <ul style="list-style-type: none"> * “graduates who are actively working” mean persons of managerial class and/or beyond * “diversified industries” mean all the industries except mining sector 	<p>(Ex-post evaluation) achieved</p> <p>The Number of MOJC Business Course Graduates Who Are in Managerial of Higher Position (At the time of training, excluding the Mining Sector)</p> <table border="1" data-bbox="564 779 1533 1084"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">2015</th> <th colspan="2">2016</th> <th colspan="2">2017</th> <th colspan="2">2018</th> </tr> <tr> <th>Graduates</th> <th>Managerial position</th> <th>Graduates</th> <th>Managerial position</th> <th>Graduates</th> <th>Managerial position</th> <th>Graduates</th> <th>Managerial position</th> </tr> </thead> <tbody> <tr> <td>Number</td> <td>256</td> <td>171</td> <td>545</td> <td>375</td> <td>668</td> <td>459</td> <td>822</td> <td>607</td> </tr> <tr> <td>Percentage of those of managerial or higher position (%)</td> <td colspan="2">66.8</td> <td colspan="2">68.8</td> <td colspan="2">68.7</td> <td colspan="2">73.8</td> </tr> </tbody> </table>		2015		2016		2017		2018		Graduates	Managerial position	Graduates	Managerial position	Graduates	Managerial position	Graduates	Managerial position	Number	256	171	545	375	668	459	822	607	Percentage of those of managerial or higher position (%)	66.8		68.8		68.7		73.8	
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Source: JICA documents, Surveys of satisfaction among business course graduates (fiscal years 2015-2018), Questionnaire and interview

3 Efficiency

Although the project cost was within the plan, the project period exceeded the plan (ratio against the plan: 95% and 108%, respectively). The outputs of the project were produced as planned. Therefore, the efficiency of the project is fair.

4 Sustainability

<Policy Aspect>

In the “Mongolia Sustainable Development Vision 2030

(‘Vision 2030’), the national long-term development policy, the diversification of economic structure is mentioned, and in the part of “Ensuring social equality through inclusive growth” in the ‘Vision 2030’, emphasis is placed on creation of productive and sustainable employment, securing the accessibility of financial services, and poverty reduction through promotion of SMEs.

<Institutional Aspect>

There has been no change in the position of MOJC within NUM as well as in the overall structure of operation of MOJC. At MOJC, six persons are assigned to the Business Support Division, seven to the Japanese Language Division, five to the Library and Exchange Division, and nine to the General Affairs Division, which fulfills the quota of each division. As the revenue of MOJC increases, the amount of work also increases. However, it is considered that the staff efficiently implement their duties because their overtime work has not increased much.

<Technical Aspect>

Balance of MOJC (Unit: MNT)

Year	2015	2016	2017	2018
(Total revenue)	802,179,870	1,100,117,354	1,143,871,989	1,298,612,000
Business support*	102,322,694	158,769,152	234,353,340	318,816,993
Japanese language*	95,296,300	155,131,830	165,986,770	236,339,315
Library and exchange*	12,874,800	142,969,909	106,910,603	109,592,464
General affairs*	286,399,522	200,174,751	223,644,945	228,917,370
Local cost owed by JICA	105,917,116	155,662,950	199,491,441	176,355,304
Local cost owed by Japan Foundation	199,369,439	233,737,687	179,791,477	188,848,180
Local cost owed by MOJC	0	53,671,075	33,693,413	39,742,375
(Total expenditure)**	779,542,792	987,972,177	1,095,262,356	1,151,621,466
(Balance)	22,636,902	112,145,177	48,609,633	146,990,534

*Contents: (Business support) Business courses, Business undertaking such as business matching, (Japanese language) Japanese language course, Programs of business undertaking, (Library and exchange) Exchange activities, Library fee, PC course, Business undertaking such as a fair for studying abroad, (General Affairs) Rental fee of facilities, Bank interest, etc.

**Expenditure means activity cost including personnel cost.

The calculation may not be consistent due to rounding figures.

Almost all the MOJC staff, except engineers and those engaged in mechanical work, have a good command of Japanese. The whole staff are highly motivated and engaged in the operation of MOJC, including duties and activities such as improvement of MOJC and enhancement of health of the staff. The staff training plan is also formulated. As described above, the staff have capacity for general operation of MOJC on their own but are not fully capacitated to implement specific contents of MOJC works, such as active discussions on lecture contents with the Japanese side, finalization of lecture contents, and course design. Enhancement of the capacity of the MOJC staff is being conducted under the on-going project. In the business courses, the percentage of local lecturers is 67% (Local lecturers: 10, Japanese experts: 13, during the period between September 2018 and June 2019). The degree of satisfaction towards Mongolian lecturers in business courses was 91.3% on average during the period from 2015 to 2018, and it is judged that the Mongolian lecturers have sufficient knowledge and skills. The training materials of the business courses developed during the project have been continuously utilized and improved when necessary. After the project completion, about one-third of the staff members left MOJC for studying in Japan and other reasons, but work manuals have been prepared and the handover of work has been appropriately implemented.

<Financial Aspect>

Each division of MOJC has its own revenue and the revenue is increasing, through business undertaking like business matching programs. In addition, as described in “Effectiveness/Impact”, the percentage of the local cost owed by JICA out of the total costs for MOJC has been gradually decreasing. From 2015 to December 2018, the utility cost necessary for the operation of MOJC, which was equivalent to about 2 million yen annually, was financed through the budget of NUM. However, since the revision of the budget law in January 2019, the MOJC’s utility cost has not been allocated through the budget of NUM, which causes a financial problem. To cope with this situation through self-help efforts, MOJC has been trying to create new business as revenue sources. Examples of new business are; business exchange programs between Mongolia and Japan, and Japanese language education for foreign human resources before going to Japan. As to the business courses, efforts are made to improve the course contents and to strengthen publication to fulfill the quota of each course. In addition, awareness towards cost is being promoted among the staff and expenditure management is tightly implemented.

<Evaluation Result>

In light of the above, slight problems have been observed in the financial aspect of the implementing agency. Therefore, the sustainability of the effectiveness through the project is fair.

5 Summary of the Evaluation

The project achieved the Project Purpose of establishment of the institutional structure and the functions of MOJC. At the time of the ex-post evaluation, the level of satisfaction towards the business courses has been maintained. In addition, the accounting balance of the business courses has been improved, and the MOJC staff has been developing the business plan as well as the budget plan. Therefore, the project effects have been continued. The Overall Goal of continuous training of business persons who can deal with the diversified industries in Mongolia has been achieved. Sustainability is high in the policy, institutional, and technical aspects but slight problems have been observed in the financial aspect, as the budget allocation by NUM to MOJC in terms of utility cost has been suspended. As to the efficiency, the project period exceeded the plan. Considering all of the above points, this project is evaluated to be satisfactory.

III. Recommendations & Lessons Learned

Recommendations for Implementing Agency:

- Since January 2019, the allocation of utility cost of MOJC from the budget of NUM has been suspended because of the revision of the budget law. From the viewpoint of sustainability, the running cost should be borne by the implementing agency and it is necessary to improve the situation where MOJC bears the utility cost. It is requested that MOJC and NUM, together with the Ministry of Education, Culture, Sciences and Sports, ensure that necessary budget should be allocated to the utility cost of MOJC from the budget of the Ministry and NUM by fiscal 2020. At the same time, it is also necessary to expand new programs at MOJC to increase its own revenue.

Lessons learned for JICA:

During the project implementation, taking into account the business environment change in Mongolia, it was considered that there was a necessity to strengthen activities on business matching between Mongolian and Japanese enterprises as well as support for Japanese enterprises that were planning to expand their business into Mongolia. In this project, business course activities were implemented based on the initial activity plan and the Terms of Reference (TOR) of experts, and the expected outputs were produced in terms of providing knowledge and skills for the management of medium-, small-, and micro- scale enterprises but there was not substantial progress in the area of business exchange. If the activity plan and the TOR of experts had been reviewed and measures had been taken in a more flexible way in the early stage of the project, more outputs would have been produced in business exchange as well. On the other hand, after the completion of the project, the dispatch of an expert of business exchange was planned in the formulation stage of the on-going project, “Project for Enhanced Function of Mongolia-Japan Center for Human Resources Development for Capacity Development and Networking of Business Persons”, and the expert was assigned to the project in September 2017. Since then, positive changes have been observed, such as sharp increase in the number of companies visiting MOJC and increase of revenue through business undertaking in business exchange and other programs. To promote business exchange, a wide range of capacity and experience is required, including business experience in Mongolia and a good command of Mongolian. In order to allocate experts of business exchange with necessary capacity and experience at the early stage of project implementation, it would be preferable to carefully formulate a project plan including the clarification of the Terms of Reference of experts, based on the experiences of the previous project and in the formulation stage of the following project. In addition, from a viewpoint of sustainability, when positive effects are produced by the efforts of experts, it is necessary to further promote technical transfer to national staff.



A scene of a business course at MOJC. The business courses range from basic to advance and have high reputation because they offer “practical knowledge useful for business management”, one of the best in Asia as a part of business exchange between Mongolia and Japan.



MOJC supports Mongolian food companies to participate in the international food exposition.