

Country Name	Project for the Capacity Development of Business Persons through Laos-Japan Human Resource Development Institute
Lao People's Democratic Republic	

I. Project Outline

Background	<p>Since the introduction of “Labop My” or the New Economic Mechanism (NEM) in 1986, the government of Lao P.D.R. pursued the market-oriented economic reform and made considerable progress in its economy. However, hardships were anticipated ahead with constraints such as an inland country, small population, sparse population density, insufficient infrastructure development, and high demands for employment creation due to a rapid increase in young workforce as well as human resource development with professional knowledge of market based-economy. Facing those issues, development of human resource in the private sector was a significant national challenge. Under the circumstances, the Laos-Japan Human Resource Development Institute (LJI), which has developed business activities with the support of the Japanese government since 2001, was expected to play a leading role in human resource development for business world. In addition, in preparation for the scheduled integration with the Association of Southeast Asian Nations (ASEAN) in 2015, further strengthening of LJI was urgently required for producing highly qualified business persons who were able to handle various business issues anticipated.</p>														
Objectives of the Project	<p>Through developing the capacity of the staff of LJI, the project aimed at strengthening the role and functions of LJI as the center to develop highly qualified business persons in Laos, thereby contributing to continuous education for business persons who can deal with the ASEAN integration.</p> <ol style="list-style-type: none"> 1. Overall Goal: Business persons who can deal with the ASEAN integration are continuously educated through LJI. 2. Project Purpose: The role and the functions of LJI as the center of developing highly qualified business persons are strengthened. 														
Activities of the Project	<ol style="list-style-type: none"> 1. Project Site: Vientiane Capital and other provinces including Savannakhet province (other provinces were not specified except Savannakhet province) 2. Main Activities: <ol style="list-style-type: none"> 1) development of the capacity of LJI staff to be able to conduct field surveys and consultations independently, 2) development of the capacity of LJI staff to be able to manage business courses that can provide practical business knowledge and know-how, 3) making LJI a hub of the business network, 4) development of the capacity of LJI staff to be able to manage the Institute on their own. 3. Inputs (to carry out above activities) <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Japanese Side</td> <td style="width: 50%;">Lao Side</td> </tr> <tr> <td>1) Experts: 7 persons</td> <td>1) Staff Allocated: 32 persons</td> </tr> <tr> <td>2) Experts dispatched from the third country: 2 persons (Thai)</td> <td>2) Land and Facilities: land and facilities for LJI</td> </tr> <tr> <td>3) Trainees received in Japan: 33 persons</td> <td>3) Local cost: cost for utility of facilities (electricity, water, communication, etc.)</td> </tr> <tr> <td>4) Training in the third country: 5 persons (Thailand)</td> <td></td> </tr> <tr> <td>5) Equipment: PCs, copiers, printers, office furniture, minibuses, etc.</td> <td></td> </tr> </table> 			Japanese Side	Lao Side	1) Experts: 7 persons	1) Staff Allocated: 32 persons	2) Experts dispatched from the third country: 2 persons (Thai)	2) Land and Facilities: land and facilities for LJI	3) Trainees received in Japan: 33 persons	3) Local cost: cost for utility of facilities (electricity, water, communication, etc.)	4) Training in the third country: 5 persons (Thailand)		5) Equipment: PCs, copiers, printers, office furniture, minibuses, etc.	
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Project Period	September 2010 - August 2014	Project Cost	(ex-ante) 450 million yen, (actual) 476 million yen												
Implementing Agency	Laos-Japan Human Resource Development Institute (LJI)														
Cooperation Agency in Japan	The Japan Foundation, Panasonic Excel International Co., Ltd.														

II. Result of the Evaluation

<Special Perspectives Considered in the Ex-Post Evaluation>

- The continuation status of the Indicator 4 for the Project Purpose at the time of ex-post evaluation was evaluated as a part of the achievement status of the Overall Goal.

1 Relevance

<Consistency with the Development Policy of Laos at the Time of Ex-Ante Evaluation>

By formulating the “National Growth and Poverty Eradication Strategy” (2004) and “6th Five-Year National Socio-economic Development Plan 2006-2010,” the government of Lao P.D.R. placed an aim of “bringing the country out of the least developed country list of the United Nations by 2020” on the top priority target. In line with this policy, the development of private sector was regarded indispensable for economic growth of the country and tax revenue increase for the government. Besides, promotion of small and medium enterprises and strengthening of private sector human resource development were defined as significant issues for the sake of job creation for increasing young working population, poverty reduction, and for social stability. Therefore, the project was consistent with the development policies of Laos at the time of ex-ante evaluation.

<Consistency with the Development Needs of Laos at the Time of Ex-Ante Evaluation>

In recognition of its achievements for the past ten years, the Laos-Japan Human Resource Cooperation Center (LJC) was upgraded in

May 2010 to be LJI, an undergraduate level institute. Consequently, LJI has been entitled to confer degrees and have additional staff. Commensurately with these authority and privilege, LJI was required to strengthen its institutional capacity to produce high quality business persons. Therefore, the project was consistent with the development needs of Laos at the time of ex-ante evaluation.

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

The basic policy defined in the Japan’s “Country Assistance Program for Lao PDR” (September 2006) was to support the self-help efforts by Laos towards realizing voluntary, independent, and sustainable economic growth, with a view to integration into the global and regional economies. One of the six priority areas for attaining this goal was the institution building and human resources development for enhancing the private sector (improving the environment to facilitate investment and exports, developing human resources in order to enhance the private sector). Therefore, the project was consistent with the Japan’s ODA policy for Laos at the time of ex-ante evaluation.

<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 at the time of project completion. LJI’s mid-term business plan was prepared in 2014 in line with the 5-year plan (2011-2015) of the National University of Laos (NUOL), and LJI’s fiscal year (FY) 2014 annual plan was made in alignment with the mid-term business plan (Indicator 1). The rate of expenditure covered by LJI constantly increased and reached at 80.9% at the time of project completion in August 2014 (Indicator 2). The average satisfaction rate of the graduates of the Master of Business Administration (MBA) programs from 2010 to 2014 was 89.0%. Although no quantitative data were available, all the employers surveyed by the project in 2014 evaluated the MBA courses high (Indicator 3). The total number of graduates for four years of the project period was 1,336 as of July 2014 (Indicator 4). By the time of project completion, LJI has exchanged five MOUs (memorandum of understanding) with organizations at home and abroad and developed networks with many other public and private organizations (Indicator 5).

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

The project effects have continued at the time of ex-post evaluation. The mid-term plan (5-year plan) was updated in 2016 and annual plans have been regularly prepared. The rate of expenditure covered by LJI has decreased and been between 30% and 40% due to the increase in expenditure for maintenance and renovation of facilities, upgrading of teaching equipment, and the salary for staff. The satisfaction rate of MBA graduates has maintained over 80% and the one of their employers surveyed once in 2016/17 was 85%. The number of graduates in a year has been fluctuating between 600 and 1,700 after the project completion. The number of MOU and networks with business related organizations has constantly increased after the post project period.

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

The Overall Goal has been achieved at the time of ex-post evaluation. The number of students graduated or completed the MBA program and/or the general business courses in a year has been between 97 and 370, which exceeded the target of 115 except in year of 2019/2020 affected by the incidence of COVID-19.

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

By introducing a Keieijuku Program, LJI started providing training programs to local chambers of commerce and industries to wider areas in other provinces. Through this program, LJI has expanded its networks and contributed to socio-economic development nationwide. Since its establishment in 2001, LJI has provided more than 4,500 graduates and participants of the business courses including MBA programs to the business domain. This has been a significant impact on the human resource development for the economy of Lao P.D.R.

<Evaluation Result>

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

Achievement of Project Purpose and Overall Goal

Aim	Indicators	Results									
Project Purpose: The role and the functions of LJI as the center of developing highly qualified business persons are strengthened.	Indicator 1: The mid-term business plan (5-year plan) is prepared with initiatives of the Lao counterparts, and alignment between the 5-year plan and FY 2014 annual plan is made.	Status of the Achievement: Achieved (continued) (Project Completion) The mid-term business plan was prepared in 2014 in line with the 5-year plan (2011-2015) of NUOL. Therefore, the plan was not for five years but for one year. LJI’s FY 2014 annual plan was made in alignment with the mid-term business plan. These planning works were conducted with initiatives of the Lao counterparts according to the NUOL’s planning schedule consulting with the Japanese experts. (Ex-post Evaluation) The mid-term plan (5-year plan) was updated in 2016 concurrently with the update of 5-year plan of NUOL. Annual plans have been regularly prepared according to the NUOL’s planning schedule with the initiative of Lao counterparts consulting with the Japanese experts.									
	Indicator 2: 80% of LJI expenditure is covered by the Lao side, including LJI revenue.	Status of the Achievement: Achieved (partially continued) (Project Completion) The rate of expenditure covered by LJI had constantly increased and reached at 80.9% at the time of project completion in August 2014. This increase was supported by a substantial increase in base salary of civil servant staff during the project period as well. (Ex-post Evaluation) Table 1. Rate of expenditure covered by LJI <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> </tr> </thead> <tbody> <tr> <td>38%</td> <td>28%</td> <td>29%</td> <td>37%</td> <td>44%</td> </tr> </tbody> </table> The rate of expenditure covered by LJI has decreased due to the increase of	2014/15	2015/16	2016/17	2017/18	2018/19	38%	28%	29%	37%
2014/15	2015/16	2016/17	2017/18	2018/19							
38%	28%	29%	37%	44%							

		expenditure for maintenance and renovation of facilities and upgrading of teaching equipment as well as the salary for staff.																								
	Indicator 3: 80% of the MBA graduates and his/her employers is satisfied with the program's outcome(s).	<p>Status of the Achievement: Achieved (continued) (Project Completion)</p> <p>The average satisfaction rate of MBA graduates from 2010 to 2014 was 89.0%. Although the quantitative data of satisfaction rate of their employers were not available, according to the survey conducted by the project in August 2014, all the employers surveyed evaluated the MBA courses high or relatively high. (Ex-post Evaluation)</p> <p>Table 2. Satisfaction rate of MBA graduates and their employers</p> <table border="1"> <thead> <tr> <th></th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>MBA graduates</td> <td>90%</td> <td>91%</td> <td>86%</td> <td>90%</td> <td>95%</td> </tr> <tr> <td>Employers</td> <td>-</td> <td>85%</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>The satisfaction rate of MBA graduates has maintained over 80% after the project, and the one of their employers surveyed once in 2016/17 was 85%.</p>		2015/16	2016/17	2017/18	2018/19	2019/20	MBA graduates	90%	91%	86%	90%	95%	Employers	-	85%	-	-	-						
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	Indicator 4: The graduates of the practical business courses exceed 1,000.	<p>Status of the Achievement: Achieved (continued) (Project Completion)</p> <p>The total number of graduates for four years of the project period was 1,336 from 20 subjects of 72 courses as of July 2014. (Ex-post Evaluation)</p> <p>Refer to the Overall Goal.</p>																								
	Indicator 5: LJI, as a hub of the business education, builds a network with internal/external organizations (ministries, government organizations, business associations, universities, NGOs).	<p>Status of the Achievement: Achieved (continued) (Project Completion)</p> <p>By the time of project completion, LJI has exchanged five MOUs with institutions at home and abroad including the Banking Institute of the Bank of the Lao P.D.R and Sasin Japan Center in Chulalongkorn University in Thailand. Besides these MOUs, LJI has developed networks with many other institutions and companies including the Savan-Seno Special Economic Zone Authority in Laos and Toyota Boshoku Asia Co., Ltd. in Thailand. (Ex-post Evaluation)</p> <p>The number of MOU has increased to nine at the time of ex-post evaluation with organizations including the Lao National Chamber of Commerce and Industry and Lao Telecom in Laos, the Thai-Nichi Institute of Technology in Thailand, and the Graduate School of International Cooperation Studies of Kobe University in Japan.</p>																								
Overall Goal: Business persons who can deal with the ASEAN integration are continuously educated through LJI.	Total 115 students graduate or complete the MBA program and/or the general business course every year after the project completion.	<p>(Ex-post Evaluation) Achieved</p> <p>Table 3. Number of students graduated or completed Unit: person</p> <table border="1"> <thead> <tr> <th></th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> </tr> </thead> <tbody> <tr> <td>Business Courses</td> <td>338</td> <td>171</td> <td>196</td> <td>107</td> <td>71</td> </tr> <tr> <td>MBA Program</td> <td>32</td> <td>32</td> <td>27</td> <td>30</td> <td>26</td> </tr> <tr> <td>Total</td> <td>370</td> <td>203</td> <td>223</td> <td>137</td> <td>97</td> </tr> </tbody> </table> <p>The number of students graduated or completed the MBA program and/or the general business course has been fluctuating between 97 and 370 after the project. The number in 2019/2020 declined due to the incidence of COVID-19.</p>		2015/16	2016/17	2017/18	2018/19	2019/20	Business Courses	338	171	196	107	71	MBA Program	32	32	27	30	26	Total	370	203	223	137	97
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Source: Project Completion Report (2014), interview with the Director of LJI.

3 Efficiency

Although the project period was within the plan (the ratio against the plan: 100%), the project cost exceeded the plan (the ratio against the plan: 106%). The outputs were produced as originally planned by the end of the project period. Therefore, efficiency of the project is fair.

4 Sustainability

<Policy Aspect>

The "8th Five-Year National Socio-economic Development Plan 2016-2020" of the government of Lao P.D.R. declared that human development was a key factor of national development and planned to build a workforce in administration and management such as business administrators, financial managers and economists, and to employ them in public and private organizations where they can contribute to national development.

<Institutional/Organizational Aspect>

The Japanese Studies Center was established in 2019 in LJI in order to strengthen the LJI's functions of research and introduction of Japanese business cultures. The institutional networking has been progressing by increasing the MOUs with various public and private organizations at home and abroad. The number of LJI staff has been slightly increasing from 37 in 2015 to 39 in 2019¹. However, the majority are administrative staff members, and the number of teaching staff is 12 in total including the ones concurrently serving as administrative staff. According to the interview with the Director of LJI, the number of teaching staff is insufficient for its expanding activities.

¹ The number of staff decreased to 35 in 2020 due to outsourcing of cleaning staff. The number of civil servant staff has not been changed.

<Technical Aspect>

In their daily operations, managers and teaching staff keep using knowledge and skills they learned in the project such as planning, monitoring, problem solving methods, knowledge management, and others. Some teaching staff has been improving their learning by pursuing higher academic degrees with the support of JICA. Textbooks and manuals including the MBA Program Implementation Manual prepared by the project have been fully utilized in LJI, and new textbooks and teaching materials have been prepared by the teaching staff as necessary.

<Financial Aspect>

Although revenue and expenditure of LJI have been maintained virtually constant for four years after the project, excessive expenditure has continued, and the rate of expenditure covered by LJI has been at a level below the target of 80% (see Table 4).

Table 4. Revenue and Expenditure of LJI Unit: US\$

Year	2015/16	2016/17	2017/18	2018/19
Revenue	281,474	278,458	286,288	306,620
Expenditure	583,810	612,294	526,939	474,616

Source: LJI

<Evaluation Result>

In light of the above, slight problems have been observed in terms of the institutional/organizational and financial aspects of the implementing agency. Therefore, the sustainability of the effectiveness through the project is fair.

5 Summary of the Evaluation

The Project Purpose was achieved by strengthening the administrative, financial and networking capacities of LJI. The Overall Goal was achieved by largely increasing the number of graduates and participants of the business courses including MBA programs. As for sustainability, the institutional enhancement has been progressing by expanding a network with business and education organizations, and the textbooks and manuals prepared by the project have been continuously utilized. However, the limited number of teaching staff and financial external dependency have remained as issues. As for efficiency, the project cost exceeded the plan. Considering all of the above points, this project is evaluated to be satisfactory.

III. Recommendations & Lessons Learned

Recommendations for Implementing Agency:

- It is recommended that LJI considers increase of the number of teaching staff or an alternative, and a measure for the teaching staffs to concentrate on teaching. For example, additional assignments of staff of civil servants may be realized with support from NUOL, an alternative can be invitation of visiting lecturer through the network from private institutions, and employing contract staffs for administrative works can be a way to release the teaching staffs from administrative works.
- It is recommended that LJI increases the rate of expenditure covered by LJI to the target level of 80% by making a longer term financial plan including detail estimations of the revenue from business programs and expenditure for maintenance and renovation of facilities, upgrading of teaching equipment, and the salary for staff.

Lessons Learned for JICA:

- The project invited experts from Thailand and also sent the counterparts to Thailand for the third country training programs. The lectures made in Thai language which is very close to Lao language was highly acceptable for Lao students, and the visits to Thailand provided opportunities to strengthen the relationships and exchange MOUs with the public and private organizations in Thailand. Invitations of experts from and training in the third country nearby in similar environments, thus, could be a cost-effective means to generate highly effective outcomes.



Closing ceremony of MBA 11th batch program in September 2020



LJI's Five-year Plan (2016-2020)