## Evaluation Summary

### I. Outline of the Project

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue/Sector: Private Sector Development</td>
<td>Cooperation scheme: Technical Cooperation Project</td>
</tr>
<tr>
<td>Division in charge: JICA China Office</td>
<td>Total cost:</td>
</tr>
<tr>
<td>Period of Cooperation</td>
<td>Partner Country’s Implementing Organization</td>
</tr>
<tr>
<td>R/D signing: 5 Dec, 2005</td>
<td>Supporting Organization in Japan: The Japan Foundation</td>
</tr>
<tr>
<td>Original period: Mar., 2006 - Feb., 2009</td>
<td></td>
</tr>
<tr>
<td>Extension period: Mar., 2009 - Feb., 2010</td>
<td></td>
</tr>
<tr>
<td>Related Cooperation: -</td>
<td></td>
</tr>
</tbody>
</table>
1. Background of the Project

The Dalian Municipal Government, in collaboration with the Ministry of Commerce (MOFCOM) and the Japanese Chamber of Commerce, Dalian, applied to the Japanese government for a Grant Aid Project in order to construct facilities and maintain equipment for the China-Japan Friendship Dalian Center for Human Resource Development (hereinafter "the Center"), which develops human resources having both business Japanese language proficiency as well as skills in specialized fields (business management, production control, software development and process management (hereinafter “software development”). Facilities were constructed through the Grant Aid Project (application submitted in May 2002, exchange of notes in April 2004, and completion in March 2006).

In addition, an application for Technical Cooperation was submitted in August 2004, a record of discussion (hereinafter “R/D”) was concluded on December 5, 2005, and a three-year technical cooperation project commenced in March 2006.

The Center aims to contribute to the economic development of Dalian and the surrounding area and also support local Japanese companies by improving the abilities of Chinese employees at Japanese companies (or Chinese companies doing business with Japanese companies) centered around Dalian and of those who wish to work for Japanese companies. The Center does so by conducting non-academic and research courses in business management, production control, software development and business Japanese at non-profit public educational institutions (mainly administered in cooperation with Dalian Jiaotong University, as well as others including Dalian University of Technology, Dalian University of Foreign Languages and Dongbei University of Finance and Economics) that are independent corporations under the Dalian Science and Technology Bureau.

Moreover, afterwards the initially planned end date for completing technical transfers was to be March 2009. However, due to unavoidable changes in circumstances such as the reassignment of those on the Chinese side to receive the technical transfers (counterparts, hereinafter “C/P”), adjustments had to be made. A proposal for a terminal evaluation was received and an R/D was concluded in December 2008 concerning the extension of the cooperation timeframe. The period of cooperation was extended and the technical transfer performed, and the project came to an end in February 2010.

2. Project Overview

(1) Outline of the Project

The Project aims to contribute to the economic development of Dalian and the surrounding area by improving the abilities of Chinese employees at Japanese companies (or Chinese companies doing business with Japanese companies) in this area. The Project does so by conducting non-academic and research courses in business management, production control, software development and business Japanese at the Center,

(2) Overall Goal

The Center will play a vital role in developing business human resources that contribute to the economic development of Dalian and Northeast China, as well as to closer economic relations between Japan and China.

(3) Project Purpose

At the Center, implementation structures will be strengthened for developing business human resources that contribute to the economic development of Dalian and Northeast China, as well as closer economic relations between Japan and China.

(4) Outputs

1) At the Center, structures will be arranged so that high-quality research plans and curriculum will be made in the fields of software development, process management, business management, production management and business Japanese, training courses will be administered, and content and such can be improved based on monitoring and evaluations.

2) A network of partner institutions including companies will be built.
(5) Inputs (Entire Project Period of Cooperation Including Extended Period)
- Japanese side:
  1) Dispatch of Experts:
     (1) 1 project coordinator (long-term: April 24, 2006 – November 30, 2007)
     (2) 2 in charge of business Japanese (long-term: April 24, 2006 – March 31, 2006; short-term: 5.50 MM)
     (3) 10 in charge of software development and process management (total: 65.54 MM)
     (4) 8 in charge of business management (total: 39.27 MM)
     (5) 3 in charge of production management (total: 27.03 MM)
  2) Equipment: simultaneous interpreting system, books, etc. (approx. JPY 10.599 mil)
  3) Local costs: business travel expenses for Japanese experts, publicity support expenses, etc. (approx. JPY 21.937 mil)
  4) Trainees received: 8 trainees for 13 days in year 2006, 13 trainees for 17 days in year 2008
- Chinese Side:
  1) Counterparts: 27 persons(FY2009)
     (1) Project director (Vice Director, Dalian Science and Technology Bureau)
     (2) Project managers (Chief of the Center)
     (3) Counterparts for all Japanese experts
     (4) Office staff, etc. (Center management personnel, office personnel, drivers, other necessary personnel)
  2) Land, building, and facilities:
     (1) Land: for project office & relevant facilities, etc.
     (2) Buildings and facilities: project office, meeting rooms, experts’ office, classrooms and incidental equipment and machinery to conduct training (facilities and equipment arranged through Japan’s Grant Aid Project)
  3) Expenses for the Center’s administration and maintenance: RMB 2.56 mil (total FY2009 expenditures)

II. Evaluation Team

<table>
<thead>
<tr>
<th>Members of Evaluation Team</th>
<th>- Japanese side:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Leader: Mr. Matsumoto Kojiro, Deputy Resident Representative, JICA China Office</td>
</tr>
<tr>
<td></td>
<td>Evaluation Planning: Mr. Hayashi Hiroyuki, Representative, JICA China Office</td>
</tr>
<tr>
<td></td>
<td>Evaluation and Analysis: Mr. Takei Makoto</td>
</tr>
<tr>
<td>- Chinese Side:</td>
<td>Leader: Dr. Wan JiuWen, Director, Department of International Commerce and Cooperation, Dalian Science and Technology Bureau</td>
</tr>
<tr>
<td></td>
<td>Evaluation Planning: Dr. Ma YunDong, Vice President, Dalian Jiaotong University</td>
</tr>
<tr>
<td></td>
<td>Evaluation and Analysis: Mr. Liu Li, Consultant</td>
</tr>
</tbody>
</table>

| Period of Evaluation       | 15 Sep., 2008 - 25 Sep., 2008 |
| Type of Evaluation         | Terminal Evaluation           |
III. Results of Evaluation

1. Summary of Evaluation Results

(1) Relevance

The project is highly relevant because it conforms to Chinese government policy on the national and local (Dalian) levels and it furthermore largely meets the needs of private companies using the Center.

Following China’s entry into the WTO, trade with Japan is expanding in the Northeast area, especially in Liaoning Province and the Bohai area. Therefore, demand for versatile business people with specialist knowledge and proficient business Japanese is further increasing.

(2) Effectiveness

It is judged that the necessary schemes to achieve results are being established and accordingly it is judged that necessary schemes to achieve the project’s goals are being established. Hence, the project is fundamentally effective. However, the issues of technical transfers and building a company network remains due to the above mentioned C/P reassignments. In order to achieve the project’s goals within its remaining timeframe, it is judged that considerable work will be required, thus necessitating continued examination until the project’s end.

(3) Efficiency

Regarding Result 1, it cannot be said that there were no problems with efficiency due to changes caused by external conditions as described above. JICA will take these points as a good lesson while needing to have closer cooperation between Japanese and Chinese parties involved than has been the case until now, as well as needing to raise practical experience for C/Ps and efficiency until project completion.

Regarding Result 2, numerical targets have already been achieved. Although the number of companies receiving training at the Center is still insufficient, those that are have provided responses saying that “a good cooperative relationship with the Center is being built,” so it is judged that the efficiency of Result 2 is high.

(4) Impact

Regarding the point of whether project goals could be completed within the project timeframe or not, a judgment based on the future progress of technology transfers will be necessary. Since schemes to achieve goals in outlying regions are being established, it is judged that it is possible to achieve high goals if more suitable measures are executed which include strengthening the management and administrative structure of the Center in the future.

(5) Sustainability

(1) Although it is possible to perform prescribed technical transfers to new C/Ps in the project’s remaining timeframe, in light of their limited experience it is exceedingly difficult for them to build curriculums, conduct lectures and make improvements and such by themselves after only receiving the technical transfers. Therefore, it is the opinion of many that continued cooperation with the Japanese side is required.

(2) Most marketing and educational activities geared towards Japanese companies are still performed by Japanese experts. As this is a major obstacle to the independent development of training for Japanese companies, urgent efforts to improve the situation are necessary. The Japanese side should monitor progress and try to provide appropriate support as necessary.

(3) Regarding the Center’s finances, the Chinese side (the Dalian Science and Technology Bureau and Dalian Jiaotong University) has made declared that it will “secure the budget necessary to administer the Center,” and the required budget has thus far been secured without problem. Moreover, regarding the Center’s financial situation, inspections are performed every year by the city of Dalian’s Financial Inspection Department according to Chinese financial management systems and law.
2. Factors that promoted realization of results
   (1) Factors concerning planning
      N/A
   (2) Factors concerning the implementation process
      (1) The results of interviews and questionnaires of involved parties show that many recognize that
      strong support by both the Japanese and Chinese governments contribute to the project.
      (2) In the same manner, the effort of both Japanese and Chinese parties involved with the project
      and the presence of the improved Center also contribute.
      (3) Dalian’s rapid economic development and the increase in both Japanese companies in Dalian
      as well as local companies focusing on business relationships with Japan also contribute.
      (4) In addition, special seminars focusing on topics such as the Toyota Production System and
      several free seminars that have raised name recognition, finding new customers, surveying needs
      and other such efforts are also thought to have made large contributions.

3. Factors that impeded realization of results
   (1) Factors concerning planning
      N/A
   (2) Factors concerning the implementation process
      (1) Regarding the project’s progress, the many changes concerning Chinese C/Ps (who were
      transferred from Dalian Jiaotong University and thus were affected by the university’s regular
      personnel changes while some C/Ps left for personal reasons, although the Chinese side called them
      “adjustments and improvements”) and the dead time thereafter can be said to have been the biggest
      obstacle. Furthermore, in interviews and workshops, private companies cited the Center’s lack of
      administrative and management functions as an obstacle. This problem is one that could be solved
      by the Center itself and improvements are expected in the future.
      (2) The Center has already made a website, but it was pointed out that its infrequent updates are
      an obstacle to acquiring new customers and other efforts. Since a website is an important sales
      support tool, urgent improvements to and usage of the website are needed to update it and enrich
      content.

4. Conclusion
   (1) Certain results are being produced up to now through the efforts of both Japanese and Chinese
   parties involved. However, under the circumstances in which the project required a broad review of
   technical transfer plans in important areas at a time when there was less than a year remaining in the
   project period, considerable efforts are thought to be needed in the future to sufficiently achieve
   within the project’s timeframe the necessary results in order to achieve the project’s goals and to
   furthermore achieve higher goals in the future.
   (2) In particular, there are many points of concern regarding “independent development,” so including
   action for “independent development,” it is necessary for both Japan and China to communicate with
   each other sufficiently and for parties involved to have mutual understanding, and then for continued
   examination of whether project goals are being achieved or not until the project’s completion.
5. Recommendations

There are many points of concern on achieving project goals within the project’s timeframe and, in the DAC 5 Evaluation Criteria in particular, on ensuring “Sustainability.” Therefore the Items below are proposed for the relevant personnel (as at 2008.Sept) of this Project

(1) Continued examination on whether project goals are being achieved or not until the project’s completion upon establishing sufficient communication between both Japan and China and mutual understanding of parties involved.

(2) Under the examination process, extending the project timeframe will be considered if prospects are convincing for both an environmental setting in which “the management and administrative structures of the Center as a training project for Japanese companies are strengthened” and for results of technical transfers in which “C/Ps stay in their positions and actually take classes and build experience while improving content by providing feedback on subjects.”

(3) It is believed that specific timeframes and action, etc. must be set separately for each field. In addition, it is hoped that other than the four fields for which implementation has occurred until now, the Japanese side will cooperate in order to improve management and capacity as a target of technical transfers and will consider this based on the merits. Accordingly, it is expected that the needed capabilities will be improved in order to administer the Center as a public training institute with training planning capabilities as well as marketing and sales capabilities.

(4) The project timeframe does not absolutely have to be extended. If the two conditions mentioned above in (2) are not met, then an extension will be pointless. Therefore, the Japanese and Chinese sides will agree on and create a method of specifying action plans and for parties involved and the results.

(5) Regarding the simultaneous interpreting system, further action is needed as with the interim evaluation proposal.

6. Lessons Learned

(1) If specialized technology can be transferred to meet company needs, then project efficiency and effectiveness can be raised by surveying specific supply and demand needs from the initial planning stage and setting specialized fields to focus on and goal levels, while also putting together a system of implementation that can flexibly respond to changes should needs change.

(2) In addition, when performing a project evaluation survey of this kind, if technical analysis or technical evaluation members are assembled, then it is likely that company needs and C/P needs can be met, the conformity of specialized techniques offered by experts can be evaluated and technical transfers that better match needs can be facilitated. Furthermore, it is believed that technical transfers can be made more efficient by basing them on detailed analysis and evaluation of transfer techniques.

7. Follow-up Situation

Confirmation of the state of Sustainability after the project is completed.