### Summary of Evaluation Report

#### 1. Outline of the project

<table>
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<th>Country: Lao P. D.</th>
<th>Name of the project: Lao-Japan Human Resource Cooperation Center Project (Phase 2)</th>
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<tbody>
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<td>Sector: Other</td>
<td>Scheme: Technical cooperation</td>
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<td>Division in charge: Japan Center Program Division, Public Policy Department</td>
<td>Cooperation amount: ¥773,155,000 (at the time of evaluation)</td>
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<td>Period of the cooperation: 2005/09/01~2010/08/31</td>
<td>Counterpart organizations: Ministry of Education, National University of Laos</td>
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#### 1-1 Background and overview of the project

Since 1986, it has been a matter of overriding concern for Lao P. D. R. to carry out economic reforms for the transition to a market economy and develop human resources to address the issue. In 1995, as part of developing capable human resources, the National University of Laos was founded, with which the Faculty of Economic and Business Management (hereinafter referred to as FEBM) began to develop qualified human resources with the support of the Asia Development Bank. The project was brought to an end in September 2001. The Lao government requested technical cooperation from the Japanese government.

Japan formulated a plan to construct the Lao-Japan Human Resource Cooperation Center as part of assistance for the development of human resources to meet the needs of a country in a transitional process to a market economy. In July 1998 the master plan was proposed to the Lao government. Both governments agreed that Japan would provide its assistance as a technical cooperation project including support for the Faculty of Economic and Business Management of the National University of Laos and the establishment of the Lao-Japan Human Resource Cooperation Center.

In July 2000 the governments of both countries signed R/D, and the five-year technical cooperation project was undertaken in September 2000. Initially, assistance for the Lao-Japan Human Resource Cooperation Center (hereinafter referred to as LJC) and support for the FEBM were combined into one technical cooperation project. However, the activities in each category got growingly vitalized and expanded, and it was decided that the project would be implemented as two individual projects after 2004 which was the last year of the project. Upon the completion of the project, the National University of Laos, the project’s counterpart, highly appraised the cooperation under the LJC Project and requested to continue the JICA’s assistance. Hence, the Lao-Japan Human Resource Cooperation Center Project (Phase 2) has been implemented as another 5-year project since September 2005.
1-2 Content of the cooperation

(1) Goals
   a. LJC will perform the core function of human resource development in the area of business area for market-oriented economic reform of Lao P. D. R.
   b. LJC will be utilized as the key place for mutual understanding between the people in Lao P. D. R. and Japan.

(2) Project objectives
   a. LJC will provide service to enhance human resource development for the market-oriented economic reform of Lao P. D. R.
   b. The information and opportunities to participate in activities for mutual understanding are provided for people of both countries by the Center.

(3) Outputs
   a. LJC’s project implementation system will be improved.
   b. LJC will offer practical business courses and business services (factory analysis, development of entrepreneurs (incubation function) and business matching) for the private sector.
   c. LJC will become the core organization of the Japanese language education in Lao P. D. R. (to promote networking of resources).
   d. The system for providing mutual understanding programs will be established, thereby vitalizing activities.

(4) Inputs (at the time of evaluation)
   a. Japan side
   b. Lao side
      Assignment of counterparts – 16 persons: Staff employed by LJC – 26 persons: Provision of land and facilities (LJC site and parking lot): Operating costs (utilities, communication expenses, and base pays for Lao staff)

2. Outline of the evaluation team

   Leader: Senya Mori, Deputy Director General, Public Policy Department, JICA
   Evaluation and Analysis: Tomoko Matsushita, Chief, Human Environment Department, INGEROSEC Corporation
   Evaluation Planning: Rumiko Nomura, Assistant Director, Japan Center Program Division, Public Policy Department, JICA
   Japanese Course Evaluation: Mamoru IKUTA, The Japanese-Language Institute, Japan
3. Overview of evaluation

3-1 Confirmation of performance

(1) Confirmation of inputs

The number of C/P’s (meaning Lao staff working at LJC as civil servants; “staff” meaning staff members separately employed by LJC; “LJC staff” indicating the staff of both categories) was increased to 16 persons as of the time of this evaluation. As such, the Lao side has been carrying out its responsibilities in its inputs into this project properly under its strong ownership and commitment. The Japan side also has been injecting its inputs as planned.

As indicated by the abovementioned typical example, it is judged that the civil servants in charge of both sides have been contributing to smooth progress of the Project.

(2) Confirmation of a degree of achieving the outputs

(a) Management of LJC

The project has been facilitated and managed through formulating an annual plan and holding Joint Coordination Committees. In June 2007 the Human Resource Development Plan was prepared. Thus, in 2007 it was decided at the level of management to appraise the ability of each staff member and to set the target to achieve. Based on the plan, LJC began to formulate training programs for the LJC staff and rate performance. However, the above plan has not been used to develop capacity. Instead, an alternative performance rating system prepared by the Lao side has been used.

So far, LJC dispatched 27 staff members for training in Japan and five Lao Japanese language teachers for the Japanese language teacher’s training course held by the Japan Foundation. Besides, Japanese language lessons are offered to all the LJC staff by using the JICA’s overseas project strengthening expenses. LJC’s social welfare fund covers a part of the tuition fees for one C/P to get a master’s degree in a graduate school. As for the financial affairs of LJC, its business revenues have been satisfactorily increasing. Thus, it is confirmed that LJC’s management system has been gradually improving from the perspective of financial sustainability. Nonetheless, it will be required to improve the efficiency of LJC management further, which will become critical for institutionalizing LJC in the future. Another important issue is to upgrade the coordination function, particularly the administrative section, to strengthen inter-sectional collaboration.
In the past 58 courses were offered in total. In 2008 LJC introduced MBA courses and enterprise management consulting courses, thereby meeting broader needs in comparison to Phase 1. The number of participants in the courses is approximately 1,400 persons in aggregate. The participants report a high degree of satisfaction with the courses. That is, the survey carried out by the Evaluation Team indicates that the satisfaction rate is 88% in the MBA courses, 84% in the regular business courses and 100% in the enterprise management consulting courses (on-site guidance and consultation courses). A large percent, 85% on the average, of the participants in MBA and regular business courses responded that they actually utilized the knowledge learned in the courses. The result confirms that the lectures with emphasis on practical aspects are connected with this high evaluation. As an additional effect of the training courses, roughly 80% of them answered that they were (will be) able to achieve better business performance, increase in income and increased the number of employees, etc.

In 2008 the number limits of some business courses were not met. However, LJC’s business revenues were stable due to the introduction of the MBA courses, and its financial sustainability is high as well.

84% of the total lecture hours of business courses are comprised of the lectures taught by the local lecturers. That is, LJC’s technical sustainability is high except for the lectures that are characterized by Japan’s particular features such as the Japanese way of management. Although LJC has been successfully on its way to establishing a stable management system, it is expected to upgrade its capacity further towards its institutionalization.

At present the courses are offered at nine levels, thereby satisfying diversified needs among participants. A degree of satisfaction is high on the average among them. So far, 1,996 persons took the courses, that is, a slightly fewer than 2,600 persons at the end of Phase 1. Five Lao teachers in total participated in the training course held by the Japan Foundation.

Elementary courses are taught by Lao teachers with no particular problems. They are also able to take nearly full responsibilities for course management. On the other hand, it is difficult for them to manage independently the courses of intermediate and advanced levels owing to a paucity of the Japanese language capacity and teaching capacity. New teachers have been trained chiefly by the experts in Japanese language teaching dispatched by the Japan Foundation. However, it is difficult for local teachers to give training to teachers without support due to their inadequate technical expertise. It will be necessary to promote technical transfer through, for instance, study meetings for Japanese language teachers.

Through the past activities, networks have been built within Lao P. D. R. and also for overseas countries. Towards setting up a Japanese language teachers association, meetings have
been held, although irregularly, for persons who are involved in Japanese language education. As of the time of this evaluation, it can be evaluated that LJC already functions as the key organization of Japanese language education in Lao P. D. R. based on the following two facts: first, LJC is the executing agency of Japanese proficiency testing, and second, almost all Japanese language teaching organizations in Lao P. D. R. use the teaching materials in Lao prepared by LJC.

(d) Mutual understanding promotion project

In the past approximately 600 events and projects were conducted, in which more than 4,700 persons participated. LJC constantly hosts various types of events on Japanese culture and Lao culture, from small-scale events which are held nearly every week to large-scale events. Besides, LJC organizes higher level mutual exchange projects in collaboration with external organizations such as university student exchange projects between Lao P. D. R. and Japan, orientation and screening for scholarships, “the study-in-Japan fair,” and “the job-fair by local Japanese companies,” thereby providing good examples of public-private partnership. On the management aspect, LJC staff is able to organize cultural events with little support. On the other hand, there are no local persons who are able to negotiate with relevant organizations in Japan.

LJC sends out its information to citizens nationwide as its public relations project. For instance, it has been using a radio program since September 2007 to inform about LJC’s activities and events once a week and also puts announcements on newspapers two or three times a month on the average. It is recommended to upgrade further the quality of the homepage that can transmit messages very quickly. As regards the newsletter that is sent to each ministry/agency once in three months, a more strategic approach will be necessary in the way to respond to the feedback from its readers. The number of the library users is about 100 persons per day on the average. In the past five years, approximately 138 thousand users were registered. The questionnaire survey indicates that a substantial majority of the users are students, most of whom use it almost every day. This indicates a high degree of satisfaction.

3-2 Summary of the evaluation result

(1) Relevance

The Project’s goals and objectives are relevant particularly with the two aims of those listed in the National Socioeconomic Development Plan of Lao P. D. R., that is, “to ensure sustainable economic growth” and “to promote human resource development in all areas” and also with the Japan’s Assistance Policy. It was observed that there was much need for the activities carried out by LJC, thereby judging that the scale of the target was also appropriate. The survey findings indicate that 20% of the respondents replied that their motivation to
participate in the business course, together with MBA and general business courses, was the “wish to learn the Japanese way of management and vitalize their own business.” In fact, some respondents affirm that they utilize the knowledge learned, thereby producing a good effect. Based on these findings, it is judged that the relevance of this Project is high.

(2) Effectiveness

In Phase 2, the activities of each section became increasingly diversified to fulfill the needs of each target group. Both the rate of drawing customers and the rate of return increased primarily in the business courses. The cost sharing by the Lao side in the project budget has reached 63% which exceeds the target line of 50% set for the time of completion of Phase 2. Similarly, the Lao side has already assigned 16 C/Ps to an acceptable level. Hence, it can be predicted that in all likelihood the objective “LJC will provide services that will help enhance the development of human resources to address the issue of transition to a market economy in Lao P. D. R.” will be achieved.

As regards the objective “LJC will provide information and opportunities both to Lao people and to Japanese people for their participation in the activities to enhance mutual understanding,” it is assumed from the performance of the past activities that it has been nearly achieved.

Nonetheless, it will be a critical issue to develop LJC’s staff members because currently there are no persons capable of designing and managing LJC’s general affairs including the above two objectives strategically.

(3) Efficiency

Inputs from Lao P. D. R. and Japan have been carried out as planned, and the expected outputs have been produced satisfactorily. Likewise, the project has been implemented without any particular problems. Thus, the efficiency of this Project is evaluated to be secured.

(4) Impact

As regards the probability of achieving the goal, it is judged that a part of the goal has been achieved by now because LJC already functions as the core organization of human resource development in Lao P. D. R., primarily with business courses and Japanese language courses. However, in order for LJC to grow into an organization fully equipped with the functions of the core organization, strategic planning and efficient management are essential. If projects are managed with this issue in mind, the probability of fully achieving the goal will be higher.

(5) Sustainability

In general, the financial position of LJC is good, and the assignment of C/Ps is
satisfactory. It can be judged, therefore, that its sustainable growth has been ensured. The business courses have shown high sustainability both from the financial aspect and from the institutional management aspect. Mutual understanding promotion projects have produced profits through university exchanges and study-in-Japan fairs. An issue in the future will be to develop staff members capable of planning strategically. It is urgently required to allocate personnel properly to LJC’s management in general and secure highly qualified employees.

3-3 Contributing factors to the progress
(1) Strong ownership by the Lao side
The LJC Project was started as the identical technical cooperation project with the FEBM support project of the National University of Laos. For that reason, the ownership of the Lao side was strong from the beginning. Its strong ownership has been clearly shown in the full assignment of Lao C/Ps as stated above and in increases in the cost-sharing rate of the project budget.

(2) Fostering the linkages with the external organizations
In Phase 2, the domain of activities has been expanded further than Phase 1. Much of it has been realized through collaboration with relevant external organizations such as FEBM of the National University of Laos, the Japanese Language Study in the Faculty of Literature, Japanese corporations, and Japanese financial groups.

3-4 Hindering factors in the Project
(1) Communication ability
Meetings of each section and inter-sectional meetings are held regularly, thereby providing sufficient opportunities to maintain good communication. There is a lack of ability to communicate in English.

(2) Content of classes conducted by Lao teachers
Some students point out that Lao teachers lack practical experiences and their classes are biased towards theories. It is required to improve the method of teaching and the content of lectures.

(3) Intersectional collaboration
It is necessary to enhance inter-sectional collaboration to produce higher effects.

3-5 Conclusion
In comparison to Phase 1, the project has been expanded, thereby achieving greater
effects in all sections. It can be concluded that the project objectives have been attained. The greatest strength of the LJC Project lies in securing the solid ownership of the Lao side and producing an inter-sectional synergistic effect through the project management by the Japan side with explicit emphasis on Japanese features (Japanese way of management, Japanese language and Japanese culture), thereby contributing greatly to the development of pro-Japanese Lao people.

3-6 Recommendation

(1) Strengthen further the LJC management system towards institutionalization
(a) It is essential to increase the number of civil servants who are assigned to LJC in order to develop more qualified personnel who will fulfill the functions of an “institute.” It is necessary to increase the number by 10 persons. To do so, it is recommended to give considerations for preferentially hiring as civil servants its staff members who currently work at LJC as quickly as possible.
(b) In particular, the issue to be addressed urgently is to strengthen the function of the administrative section that coordinates intersectional collaborative projects. It is recommended that several of the additional ten civil servants be assigned to the administrative section.
(c) The cost sharing by the Lao side has reached 63.8% as of now, but it will be necessary to maintain or raise the present cost-sharing rate.

(2) Business course division
(a) One of the goals of the new Institute is to develop the human resources that can deal with the ASEAN integration in upcoming 2015. It is important for the business course division to make a strategy for the new curriculum to fulfill the goal.
(b) In the “institute” Lao teachers needs to acquire technical expertise to teach know-how and knowledge of practical business as well as Japanese experts.
(c) One idea may be to utilize the opportunity created by the “the joint training programs for fostering of entrepreneurs in the Mekong region countries”, which is one of specific measures under “Further Development of Both Soft and Hard Infrastructure” included in the Mekong-Japan Action Plan 63 adopted based on the Tokyo Declaration in the First Meeting between the Heads of the Japan and Mekong Region Countries held in November 2009.

(3) Japanese language course division
(a) In light of demand for Japanese language education in the future, it is needed to review the makeup of its courses. Considering the fact that the dispatch of experts by the Japan Foundation will be brought to an end after the completion of Phase 2, what is required is that
Lao teachers acquire the abilities to design curricula independently.

(b) The Lao staff and lecturers need to continue improving their Japanese skills and teaching skills. It will be effective for the Lao lecturers to participate in the Japan Foundation’s training program either in Japan or in Thailand. At the same time, one effective way may be that they receive guidance at seminars taught by the expert who will be dispatched by the Japan Foundation for the Japanese language class of the Japanese Language Study in the Faculty of Literature at the National University of Laos.

(4) Mutual Understanding Activities Division
Further shift to the activities with the “added value” is necessary. The activities with the “added value” may have characteristics such as; 1) May have a positive impacts in networking with the stakeholders of other divisions at LJC (ex. companies, business associations, NGO, etc); and 2) May improve the abilities to carry out activities with “added values”.

(a) The Lao staff should enhance their capacity to be able to conduct the activities with the “added value”

3-7 Lessons learned
The LJC Project was implemented from the initial stage as the same project as the support project for the FEBM at the National University of Laos. Since the outset, under the ownership of the Lao side, an adequate number of civil servants have been assigned to the Project. Furthermore, since the start of Phase 2, profitable projects have been introduced, thereby increasing the cost sharing ratio of the Lao side. This case gives a good lesson, which can be used to work upon local people involved in similar projects as the LJC Project in order to raise awareness of the necessity of ensuring strong ownership and sustainability.