

Green Productivity and material flow cost accounting

Material flow cost accounting (MFCA), developed in Germany in the late 1990s and since adopted widely in Japan, focuses on tracing waste, emissions, and nonproducts and can help boost an organization's economic and environmental performance. It is one of the major tools of environmental management accounting (EMA). EMA is a set of procedures used within corporations and other organizations for linking environmental considerations with economic objectives. Today, organizations cannot ignore the environmental aspects of their activities. Consequently, they seek management tools to link concern for the environment with economic considerations. MFCA is a management tool that promotes the efficient use of materials more effectively, contributing to reductions in waste, emissions, and nonproducts. MFCA increases the transparency of material flow, which is a key to successful problem solving and improvement. By solving problems, organizations can increase their resource productivity and reduce costs at the same time. This is in line with the Green Productivity (GP) concept and can be used to implement GP in organizations and factories. MFCA has already been adopted in more than 300 Japanese companies.

The APO in collaboration with the Japan Productivity Center and with support from the Ministry of Economy, Trade and Industry of Japan has been promoting MFCA since 2010 through projects such as the Member Country Support Program. Recently, the APO, NPOs, and the Tokyo Development Learning Center jointly organized a two-phase e-learning course, which was a follow-up to a workshop on MFCA held in Japan in 2011. The e-learning modality was used to introduce MFCA to a large audience using the World Bank's Global Development Learning Network platform. Two hundred thirty participants from 10 member countries (Bangladesh, India, Indonesia, Nepal, and Pakistan, 23–26 April; and IR Iran, Malaysia, the Philippines, Vietnam, and Thailand, 28–31 May 2012) attended the course. Four Japanese resource speakers made interactive presentations involving group exercises and case studies while allowing participants to raise questions on day 1. On day 2, participants carried out group work as advised by the online resource speakers; on day 3, they made



Diligent note taking during the e-learning course on GP and MFCA.

site visits in each country to gain practical insights. Day 4 was devoted to country presentations reviewed by the experts.

“It was a wonderful opportunity to attend the maiden course in Bangladesh on MFCA-ISO 14051: 2011 through videoconferencing under very efficient coordination. I was very impressed with your concern about capacity building of the participants,” remarked Brigadier General M. Mofizur Rahman after attending the course. Pakistani Usman Hafeez commented, “The MFCA course was very informative and knowledgeable, and hopefully the APO will arrange more such courses in the future.”

A face-to-face advanced training course on the same topic is scheduled to be held in Taipei, Republic of China, 20–24 August this year for those who performed well in the e-learning course. 🌐