Ref. No. 20-IN-04-GE-DMP-C-MN01-PP2000018-002

<table>
<thead>
<tr>
<th>PIP Issue Date</th>
<th>14 May 2020</th>
</tr>
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<tbody>
<tr>
<td>Project Code</td>
<td>20-IN-04-GE-DMP-C-MN01</td>
</tr>
<tr>
<td>Title</td>
<td>Improving Productivity through Adoption of Innovation Management Tools and Blockchains for the Education and Agriculture Sectors</td>
</tr>
<tr>
<td>Reference</td>
<td>Project Notification 20-IN-04-GE-DMP-C dated 20 November 2019</td>
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<tr>
<td>Timing and Duration</td>
<td>The duration of the implementation of this project will be 12 months including the dissemination period. The commencement date is scheduled for May 2020. Tentative details of the implementation schedule will be provided later.</td>
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<tr>
<td>Implementing Organization(s)</td>
<td>Mongolia Productivity Organization (MPO)</td>
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1. Objectives

The objective of this project is to establish a demonstration-cum-productivity educational model to showcase the processes and results of improvements in productivity and innovation by utilizing smart agricultural technology in a tangible, practical manner. This will assist the Mongolian Productivity Organization (MPO) in building the capacity to provide consultancy and training services on innovation through complete involvement in the demonstration project, including the following activities:

   a. Conducting a workshop and training of trainers and practitioners of applications of advanced tools including blockchains to promote productivity and innovation at national and enterprise levels;
   b. Showcasing how an organization can successfully design and implement productivity and innovation improvement measures utilizing smart technology solutions while simultaneously reducing environmental impacts with the commitment and active participation of all stakeholders; and
   c. Disseminating the results of the demonstration organizations to inspire other enterprises, workers, and stakeholders to promote productivity and quality in their workplaces.

2. Background

Blockchains are one of the targeted key technology pillars identified by Plattform Industrie 4.0 and McKinsey Consulting. In sectors as diverse as manufacturing, agriculture, and education, it is now critical to adopt blockchain technologies in existing business processes to ensure transactional transparency, data resilience, and decentralized trust.

On the education front, blockchain technologies have been shown to revolutionize the authentication of university transcripts, degree scrolls, and other similar certificates. They further provide a robust framework that securely stores and verifies academic data so that certification records, attendance records, and related transactions are tamper evident and open source. For agriculture, blockchains have been demonstrated to enhance the resilience of supply chain management, therefore increasing consumers’ trust in agriculture postharvest management from farm to fork.

In this connection, the MPO hopes to benefit from APO demonstration projects that can showcase the tangible results of productivity improvement programs. Target organizations are those in the education and agriculture sectors willing to become role models in strengthening the capacity of human resources by providing opportunities to acquire advanced productivity skills. The main topic of training and consultancy for this project is improving productivity by adopting innovation management tools and smart technologies, including blockchains. During the project, employees of demonstration organizations will be trained in the use of advanced tools to resolve productivity-related problems.
3. Collaborating Partners

This project is to be implemented in close collaboration with the MPO, Research Center for Agricultural Economics and Innovation Development Mongolian University of Life Science, the Erin Everest International Secondary School, and Agricultural Exchange of Mongolia.

4. Roles and Responsibilities

The collaborating partners will perform the following duties.

APO Secretariat

a. Assign an international technical expert(s) to the demonstration organizations for the implementation of the project;
b. Coordinate communication among the expert(s), MPO, and demonstration organizations to ensure smooth implementation of the project; and
c. Advise the MPO and demonstration organizations in planning and organizing follow-up activities such as developing promotional materials and/or organizing dissemination workshops or seminars for local participants.

MPO

a. Appoint a coordinator from the MPO who will serve as the focal point for communication and coordinate the overall schedule for implementation of the project in the country;
b. Provide, in addition to a coordinator, the necessary number of technical experts from the MPO to work as counterparts to the international expert(s) assigned by the APO Secretariat, if necessary;
c. Arrange all logistical requirements relating to the project (e.g., local transportation, discussion room, interpretation, etc.) for the experts assigned by the APO Secretariat and MPO;
d. Monitor closely the process of implementation, particularly the key performance areas;
e. Coordinate and supervise the production of a multimedia record such as video/DVD demonstrating the experiences of the demonstration organizations;
f. Collaborate with the demonstration organizations in preparing a practical, easy-to-follow manual/guidelines so that similar exercises can be replicated by other organizations in the country;
g. Organize a dissemination workshop prior to or upon completion of the project to enable experience sharing and learning by the local public and/or international participants; and
h. Submit a final report to the APO Secretariat which documents the entire process of the demonstration project, analyzes the results and impacts of the project as well as contributions to productivity improvement, and suggests recommendations for replication in the host country utilizing domestic talents, networks, and resources.

Demonstration Companies

a. Accept and facilitate the consultancy services conducted by the expert(s) assigned by the APO Secretariat and MPO;
b. Designate a responsible coordinator (preferably top-management level) and necessary team members to work closely with the experts assigned by the APO Secretariat and MPO;
c. Announce, publicize, and prominently display the APO’s presence and involvement in the demonstration companies throughout the duration of the project;
d. Record on video from the start of the process of implementation activities to produce a multimedia record such as video/DVD upon completion of the project in association and consultation with the MPO;
e. Collaborate with the MPO in preparing a practical, easy-to-follow manual/guidelines so that similar exercises can be replicated by other organizations in the country;
f. Present the experiences in a dissemination workshop to be organized prior to or upon completion of the project;
g. Share the experiences of the demonstration organizations with local parties interested in learning about productivity improvement and the demonstration project; and
h. Collaborate with the MPO in preparing a comprehensive final report for submission to the APO Secretariat explaining the initiatives taken during the project, their technical details and results, as well as an overall analysis of the benefits and impact of the project.

5. Expense Sharing

APO

a. All expenses for assignment of the international expert(s), including honorarium, airfare, daily subsistence allowances, and overseas travel insurance;
b. A total of up to USD10,000 as the local implementation costs, including production of a practical manual and a multimedia record for replication of the experience (to be prepared by the MPO) and holding a dissemination workshop.
dissemination workshop(s)/seminar(s) for the local public (to be arranged by the MPO); and

c. Fifty percent of the above-mentioned local implementation costs can be advanced to the MPO to cover
the expenses soon after the Project Implementation Plan is issued, if necessary; the remaining 50% will
be paid after receiving the manual, multimedia record, and final project report with the submission of
necessary supporting documents under the applicable APO rules and regulations for the disbursement of
project expenses.

The disbursement of expenses will be made at the appropriate times corresponding with the specific activities
undertaken and following submission of the necessary supporting documents under the applicable APO rules
and regulations for disbursement of project expenses.

MPO

Expenses relating to the assignment of a coordinator and MPO expert(s) involved in this project.

Demonstration Companies

a. Expenses for logistic arrangements related to the implementation of the project, including the local travel
costs of the APO international expert(s) and MPO experts for transportation between the demonstration
companies/sites and the MPO office/branch office and expenses for interpretation;

b. Costs associated with the purchase, installation, operation, and maintenance of equipment relating to the
implementation of the project, if any; and

c. All other expenses for the implementation of the project not covered by the APO and MPO.

6. Methodology

The project will be conducted in the following three stages:

- Planning;
- Implementation; and
- Dissemination

The planning stage consists of a diagnostic study regarding the current challenges and opportunities in the
demonstration companies and developing a master plan for the strategy and implementation of this project,
including a preliminary plan for the dissemination materials and event. This stage may also involve the
capacity building of all stakeholders engaged in the implementation. It is expected to be completed within two
months.

The implementation stage involves implementation of the master plan and refinement of the plan, if necessary.
This refers to practical, action-oriented, onsite activities that involve the international and local experts, MPO,
and all other stakeholders. This stage will be carried out by the demonstration companies with the guidance of
the experts and is expected to be completed in eight months.

The dissemination stage evaluates the improvement efforts and initiatives implemented. It also extracts the
main lessons learned to provide a practical guide and encourage other organizations to follow it in the future.
Among the main activities expected in this stage are the finalization and production of a practical manual, a
multimedia record, and a dissemination workshop. This stage is expected to be completed in two months.

7. Project Schedule

It is expected that four visits of the APO expert(s) and digital sessions (e-consultancy services) as part will be
needed for this project, although the actual number and duration will be identified by the expert(s),
demonstration organizations, and APO after the first expert visit in August 2020. Subsequent visits should
tentatively be scheduled at intervals of two to three months. The duration of each visit should be approximately
within one to two weeks, subject to the availability of the expert(s) and approval by the APO Secretariat.

8. Accounting Procedures

a. With regard to the expenses for the multimedia record and training manual production, 50% of the APO
share can be advanced after the Project Implementation Plan is issued. The remainder will be reimbursed
in exchange for the training manual, multimedia record, and final project report according to the proof of
expenses payment.

b. If a local seminar/workshop is held, 50% of the APO share can be advanced before the
seminar/workshop implementation and the remainder will be reimbursed after implementation based on
the proof of expenses payment.

c. For the settlement of expenses, the MPO is requested to provide all necessary proof of payment to the
APO Secretariat. The proof of payment, such as bills, payment records, and receipts, should be issued
by third parties and must be submitted to the APO Secretariat altogether at one time. The proof of
payment should be written in clear English or with an English translation if not originally in English. The
original copies of proof of payment should be provided to the APO Secretariat along with an overall list of expenses and categorized based on purpose in the production of dissemination materials or holding a dissemination event (an example is attached as Annex 1). The final payment will be made based on the actual expenditure after the MPO submits the proof of payment, training manual, multimedia record, and the final project report. In general, internal evidence is not accepted as proof of payment and the expenses claimed by it will not be reimbursed. The MPO is expected to provide all necessary proof of payment to the APO Secretariat for settlement no later than three months after the dissemination event is conducted.

9. Final Project Outputs

The demonstration company project will be completed with the submission of the following:

a. A final report prepared by the MPO and demonstration organizations;
b. A practical manual for replication (in soft copies and/or printed hard copies) prepared by the MPO; and
c. A multimedia record such as video/DVD of the experiences of the demonstration company prepared by the MPO and demonstration companies.

The APO Secretariat will issue a certificate of completion to the demonstration organizations upon completion of the project.

Dr. AKP Mochtan
Secretary-General
**Annex 1. Examples of expense categorization.**

<table>
<thead>
<tr>
<th><strong>A. Manual</strong></th>
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<tbody>
<tr>
<td><strong>Stationery, printing, etc.</strong></td>
<td>Printing service</td>
</tr>
<tr>
<td></td>
<td>Photos</td>
</tr>
<tr>
<td><strong>Documentation and publication</strong></td>
<td>Editing and translation</td>
</tr>
<tr>
<td><strong>Stakeholders’ meeting</strong></td>
<td>Preparatory meeting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>B. Multimedia record</strong></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Stationery, printing, etc.</strong></td>
<td>Video production</td>
</tr>
<tr>
<td><strong>Documentation and publication</strong></td>
<td>Footage recording</td>
</tr>
<tr>
<td></td>
<td>Audio effects and music</td>
</tr>
<tr>
<td></td>
<td>Editing, subtitles, and translation</td>
</tr>
<tr>
<td><strong>Stakeholders’ meeting</strong></td>
<td>Preparatory meeting</td>
</tr>
</tbody>
</table>

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<tr>
<th><strong>C. Dissemination event</strong></th>
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<tbody>
<tr>
<td><strong>Stationery, printing, etc.</strong></td>
<td>Brochure production</td>
</tr>
<tr>
<td></td>
<td>Stationery</td>
</tr>
<tr>
<td><strong>Stakeholders’ meeting</strong></td>
<td>Preparatory meeting</td>
</tr>
<tr>
<td><strong>Conference room and package</strong></td>
<td>Conference package, e.g., venue rental, basic refreshments</td>
</tr>
<tr>
<td></td>
<td>Conference equipment rental</td>
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*The examples are provided for the NPO’s reference; they are indicative but not exhaustive. Please consult with the Secretariat if any item is unclear or there are other questions about categorization.*