



ASIAN PRODUCTIVITY ORGANIZATION

## PROJECT IMPLEMENTATION PLAN

20 November 2015

1. **Project Code** 15-IN-99-SPP-DMP-C-MON
2. **Title** Development of Demonstration Companies—Energy Efficiency Program, Mongolia
3. **Reference** Project Notification 15-IN-99-SPP-DMP-C dated 10 September 2015
4. **Timing and Duration** December 2015 to July 2016  
Details of the implementation schedules will be worked out separately.
5. **Implementing Organization** Mongolian Productivity Organization (MPO)

### 6. Objectives

Under the APO Development of Demonstration Companies project, the designated National Productivity Organization (MPO) is expected to:

- a. Showcase how a company can successfully design and implement energy efficiency and conservation (EE&C) improvement initiatives with the commitment and active participation of all stakeholders;
- b. Demonstrate visibly and tangibly how EE&C improvement initiatives lead to outstanding results for the company; and
- c. Disseminate the results of the model company to inspire other enterprises, workers, and all stakeholders to promote EE&C more vigorously in their workplaces.

### 7. Background

Under a special cash grant from the Ministry of Economy, Trade and Industry of Japan, the APO has been undertaking/will undertake research on need assessment in Bangladesh, Mongolia, Nepal, Pakistan, and Sri Lanka. Among them, Mongolia showed strong interest in carrying out a demonstration project soon, possibly by December 2015. The MPO selected the following three companies for the adoption of EE&C in Mongolia.

### **APU Company**

APU Company is a top national producer with an outstanding portfolio of brands including vodka, beer, soft drinks, juice, bottled water, and dairy products. Building on its portfolio of premium brands and culture of quality and innovation, APU Company continues to develop internationally.

Since its establishment in 1924, APU Company has undergone remarkable growth from a small, state-owned plant with 14 workers to a top national producer. Its products are distributed to over 7,000 trade and retail centers nationwide through the largest distribution network in the country.

APU Company has been implementing global food safety management and environmental management system standards ISO 14001 and ISO 22000 throughout all its facilities. The company is open to sharing its success stories with the public and private sectors. It is implementing activities on the best practices of productivity and quality yearly for more than 20 group companies.

APU Company and its associate companies employ over 1,000 highly trained professionals.

### **TESO LLC**

TESO LLC was established in 2003 and its main business is food production, such as ice cream, snacks, dairy and juice products, margarine and butter, noodles, bottled water, etc. The total number of employees is 550. Other businesses are in the construction and mining industry. TESO LLC implements the quality management standard ISO 9001:2010. Furthermore, it is planning an energy efficiency project starting with food-producing units.

### **UBEDN SOJS Company**

UBEDN was established in 1932 and is now supplying high-quality, reliable electricity to public and private entities; industrial, cultural, and service facilities; and commercial centers, hospitals, schools, apartment buildings, and 240,000 households dwelling in ger districts of Ulaanbaatar. UBEDN has more than 1,700 employees, 47.1% of whom are aged from 19 to 35.

The MPO selected UBEDN JSC as one of the demonstration companies for its professionalism and good network to disseminate the results of the project to inspire other enterprises and public-sector organizations.

The selected demonstration companies are leading enterprises in Mongolia and they want to be socially responsible and expand their production and service activities to create more workplaces. To expand their businesses, the companies undertake many productivity and quality improvement projects and try to save costs on a continuous basis. The proposed demonstration companies understand that energy conservation is vital to improve productivity and that it will improve their reputations for responsibility and reliability among shareholders.

Because of low awareness of energy conservation in Mongolia, major energy losses occur throughout the country. To improve this situation, the Mongolian government submitted the Energy Conservation Law to Parliament. The law is expected to be approved by the end of this year and enforced from mid-2016. This law requires companies to appoint an energy manager(s) and undergo energy auditing. At present, no certified energy auditors are

available in Mongolia, and the certification system is still under consideration. Under these circumstances, the program is expected to support not only capacity building in EE&C but also implementation of the law in Mongolia.

## **8. Methodology**

The APO will assign an expert(s) and he/she will visit each company at least once during 2015 and make other visits in 2016 for observance, analyses, and recommendation. The actual timing will be determined after consultations among the APO, MPO, demonstration companies, and expert(s). In the intervals between expert visits, he/she can communicate with those concerned via e-mail, Skype, telephone, etc. for necessary advice. The program and itinerary for the first visit are as follows. They may change depending on the needs of the demonstration companies.

- Day 1      Local workshop/seminar for dissemination purposes  
            Coordination meeting with the APO, MPO, expert(s), and demonstration companies
- Day 2      Visit to company/organization 1
- Day 3      Visit to company/organization 2
- Day 4      Visit to company/organization 3
- Day 5      Summary and review of company visits and preparation of the next schedule

## **9. Roles and Responsibilities**

### **APO**

- a. Assign an expert(s) for the implementation of the project;
- b. Coordinate communication among the expert(s), MPO, and demonstration companies to ensure smooth implementation of the project; and
- c. Advise the MPO and demonstration companies in planning and organizing follow-up activities such as developing promotional materials and/or organizing dissemination workshops or seminars for local participants so that they can learn directly from the demonstration companies' experiences.

### **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 expert(s) to be assigned by the APO, if necessary;
- c. Monitor closely the process of implementation, particularly the key performance areas;
- d. Coordinate and supervise the company in the production of a video/DVD on the demonstration companies' experience;

- e. Assist and supervise the demonstration companies in preparing an interim report and comprehensive final report for submission to the APO;
- f. Organize a dissemination workshop prior to and upon completion of the project to enable local people be aware of and learn about the start of the demonstration project as well as the activities of the APO;
- g. Compile the overall activities of the project in a practical, easy-to-follow manual/guidelines so that similar exercises can be replicated by other enterprises in the country; and
- h. Prepare a final report, stressing analyses of the impact of the demonstration project and its contribution to the MPO's consulting capacity as well as suggestions/recommendations for replication utilizing local talent, local networks, and local resources.

### **Demonstration Companies**

- a. Accept and facilitate consultancy services conducted by the experts assigned by the APO and MPO team of experts;
- b. Designate a responsible official (preferably top management level) and the necessary team members to work closely with the APO and MPO team of experts;
- c. Arrange all logistical requirements relating to the project (e.g., local transportation, discussion rooms, etc.) for the APO and MPO team of experts;
- d. Videorecording from the start of the process of implementation activities to produce a video/DVD upon completion of the project in association and consultation with the MPO;
- e. Announce, publicize, and prominently display the APO's presence and involvement in the demonstration company throughout the duration of the project;
- f. Share the experiences of the company with local parties interested in learning about the Development of Demonstration Companies project;
- g. Present the experiences in a dissemination workshop to be organized upon completion of the project; and
- h. Prepare a comprehensive final report for submission to the APO explaining the initiatives taken during the project and their technical details along with overall analyses of the benefits and impact on the EE&C and competitiveness of the demonstration companies upon completion of the project.

## **10. Financial Arrangements**

### **APO**

- a. All assignment costs of the APO expert(s), i.e., honorarium, airfare, DSA, and overseas travel insurance;

- b. Total of up to USD10,000 as the local implementation costs including: production of a practical manual and a video/DVD for replication of the experience (to be prepared by the MPO) and holding a dissemination workshop(s)/seminar(s) for the local public (to be arranged by the MPO), for which 50% of the total cost will be advanced to the MPO to cover the expenses soon after the Project Implementation Plan is issued, if necessary; and
- c. The remaining 50% will be paid after receiving the video/DVD, training manual, 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 time 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.

If the project has not been completed by July 2016, as explained in section 10. Scope and Methodology of the Project Notification dated 10 September 2015, the implementation and payment will be carried over to the next period supported by a new Project Notification and Project Implementation Plan for 2016–2017.

#### **MPO**

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

#### **Demonstration Companies**

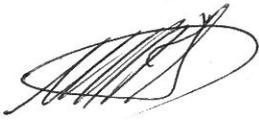
- a. Expenses for logistical arrangements related to the implementation of the project, including the local travel costs of the APO expert(s), as well as for MPO experts when required due to the distance and/or location of the demonstration companies from the MPO office/branch office;
- b. Costs associated with the purchase and installation of equipment and/or fixtures 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/or MPO.

#### **11. Final Project Outputs**

The Development of Demonstration Companies project will be completed with the submission of the following:

- a. Final reports prepared by the MPO and demonstration companies;
- b. Practical manual for replication (in video/DVD and/or printed hard copy) prepared by the MPO; and
- c. A video/DVD of the demonstration company experience to be prepared by the demonstration companies.

The APO will issue a certificate of completion and present them to the demonstration companies upon completion of the project.

A handwritten signature in black ink, appearing to be 'Mari Amano', written in a cursive style.

Mari Amano  
Secretary-General