

# Asian Productivity Organization

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## PROJECT NOTIFICATION

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1. **Project Code:** 11-IN-91-GE-DON-C
2. **Project Title:** **Member Country Support Program (second year)**  
(continuation of 10-IN-91-GE-DON-C)
3. **Duration and Timing:** April 2011 to March 2012
4. **Venue(s):** Japan and participating countries
5. **Participating Countries:** Malaysia and Mongolia
6. **Implementing Organizations:** The following organizations will implement the Member Country Support Program (MCSP) project with the help of the Japan Productivity Center (JPC).

Malaysia Productivity Corporation (MPC)

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7. **Objective:**
  - a) To assist the MPC in strengthening its Green Productivity (GP) competency by introducing new knowledge and skills focusing on the environmental management tool material flow cost accounting (MFCA).
  - b) To assist the MPO in upgrading its capability to conduct productivity promotion and undertake consultancy and training in the areas of 5S, kaizen and basic total productive maintenance (TPM).

## 8. Background:

The MCSP is a two-year project to assist individual NPOs to strengthen their capacity through activities based on their needs and abilities. The project was designed as a combination of APO programs, such as Technical Expert Services, observational study missions, and demonstration projects. In collaboration with the JPC, two NPOs are selected as the beneficiaries of the MCSP. The main focus areas are the development of internal expertise through the training of trainers and establishment of model local SMEs. Since 2002, seven NPOs of member countries have benefitted from this project.

Through the MCSP, the APO and JPC provide support to both NPOs by organizing training of trainers' courses in specific productivity improvement techniques and developing selected SMEs as model companies. In the first phase of the project (June 2010 to March 2011), several expert missions were dispatched, and NPO consultants involved in this project had the chance for observational study missions in Japan and other relevant APO projects. The respective projects focus on the following approaches:

### 1) Malaysia

As a measure to enhance GP in Malaysia, the JPC and APO have identified an appropriate new tool, MFCA. MFCA is an environmental management accounting method initially developed in Germany in the late 1990s and since then has been adopted widely in Japan. It focuses on tracing waste, emissions, and nonproducts and can help boost an organization's economic and environmental performance. To standardize MFCA practices, a working group of the ISO Technical Committee ISO/TC 207, Environmental Management, has been working on the development of ISO14051, Environmental management--MFCA--General framework, targeted for publication later in 2011. It will be complementary to the ISO14000 family of environmental management system standards, including life cycle assessment (ISO14040, ISO14044), environmental performance evaluation (ISO14031), and MFCA with ISO14051.

### 2) Mongolia

The MPO has been restructured and began its renewed operations in January 2010. The national productivity movement of Mongolia, spearheaded by the MPO, aims to achieve higher productivity by developing the human resources to deliver quality outputs and create friendly working environments that encourage cooperative, constructive workplace relations leading to productivity improvement. Through the MCSP, the JPC and APO have identified two related subjects, kaizen and 5S, to be the main focus for the MPO in strengthening national productivity. The MCSP for Mongolia consists of appropriate technical assistance including in-house training, strategic management approaches, and study missions to learn the best practices from developed member countries and guide MPO professionals to carry out consultancy projects in selected companies. For the second year, basic TPM will be the focus for some advanced model companies.

To strengthen the capacity of both NPOs and the performance of selected SME model companies, the project will continue in the second phase until March 2012. After the completion of the MCSP project, the MPC and MPO are expected to be able to upgrade their services in productivity promotion, training, and consultancy. It also expected that both NPOs will sustain the development of MCSP model companies as showcases for local industry.

Keeping in mind that this project was specially created for these developing NPOs, several shortcomings and deficiencies identified in the first phase have been eliminated and improved. Therefore, all parties involved must take full responsibility to ensure that the second phase of the project will be implemented in accordance to the requirements and outline provided by the APO and JPC.

#### **9. (1) Program Outline for Malaysia**

- a) Continuous technical support and guidance from APO–JPC experts from April 2011 to March 2012 for the MPC and model companies;
- b) Completion of training manuals on MFCA in the local language;
- c) Allocation of additional places for participants from the MCSP beneficiaries in relevant APO projects organized by the JPC or other member countries, if feasible and necessary;
- d) A national seminar to disseminate the lessons learned from the MCSP project and to showcase the development of model companies in March 2012;
- e) Final evaluation of the achievements of the two-year MCSP jointly undertaken by the APO, JPC, and MPC in March 2012; and
- f) Distribution of the final project report to all member countries.

#### **(2) Program Outline for Mongolia**

- a) Continuous technical support and guidance from APO–JPC experts from April 2011 to March 2012 for the MPO and model companies;
- b) Completion of training manuals on 5S/kaizen in the local language;
- c) Observational study missions to Japan to observe productivity improvement through kaizen, 5S, and TPM in SMEs;
- d) Allocation of additional places for participants from the MCSP beneficiaries in relevant APO projects organized by the JPC or other member countries, if feasible and necessary;
- e) A national seminar to disseminate the lessons learned from the MCSP project and to showcase the development of model companies in March 2012;
- f) Final evaluation of the achievements of the two-year MCSP jointly undertaken by the APO, JPC, and MPO in March 2012; and
- g) Distribution of the final project report to all member countries.

#### **10. Outputs from the MPC and MPO:**

The two NPOs are expected to:

##### **a) During the second year**

- i. Submit a monthly report on the project status to the APO and JPC;
- ii. Make logistic arrangements during APO–JPC expert missions;
- iii. Make follow-up training and site visits after each expert mission to each model company;
- iv. Ensure full cooperation by MCSP counterparts during APO–JPC expert missions; and
- v. Organize a national seminar at the end of the project.

b) After the completion of the project

**(1) Malaysia**

- i. Recognize the MCSP counterparts by certifying them as qualified trainers/consultants for MFCA for SMEs;
- ii. Distribute the local training manual for the use of industry and associate consultants;
- iii. Develop more training courses based on the projects under the MCSP;
- iv. Sustain the development of model companies as a benchmark for implementation of MFCA in other SMEs in the country; and
- v. Appoint counterparts in SME model companies as associate consultants and partners to nurture other SMEs.

**(2) Mongolia**

- i. Recognize the MCSP counterparts by certifying them as qualified trainers/consultants for 5S/kaizen for SMEs;
- ii. Distribute the local training manual for the use of industry and associate consultants;
- iii. Develop more training courses based on the projects under the MCSP;
- iv. Sustain the development of model companies as a benchmark for application of 5S/kaizen in other SMEs in the country; and
- v. Appoint counterparts in SME model companies as associate consultants and partners to nurture other SMEs.

**11. Financial Arrangements:**

a) To be borne by the APO

- i. Part of the daily subsistence allowances and honoraria for Japanese experts (including JPC experts) to be deputed to the participating countries;
- ii. All expenses for other international experts assigned by the APO and JPC;
- iii. A maximum of USD 1,000.00 to NPOs to cover some local expenses relating to implementation of a national seminar at the end of the project in March 2012. The expenses will include
  - a. Conference package including meals for breaks and conference room with adequate facilities for presentations and seminar purposes and
  - b. Preparing and compiling presentation material sets for all participants;
- iv. A maximum of USD 1,000.00 to NPOs to cover some local expenses for publishing training manuals in the local language after project completion; and
- v. Local implementing costs including accommodations and per diem allowances for observational study missions to countries other than Japan (once for each participating country, if feasible and necessary).

For items iii and iv, the NPO will cover all other expenses and settle the entire account by providing all necessary bills and receipts to the APO after completion of the project. The final applicable payment will be based on the actual expenditure and review of the report submitted by the NPO as required.

b) To be borne by the participating countries

- i. Airfare for observational study missions to Japan and other member countries; and
- ii. All expenses to undertake the activities mentioned in item 10 above.

c) To be borne by the JPC

- i. Airfare for experts from Japan and the JPC to participating countries;
- ii. Part of daily subsistence allowances and honoraria for Japanese experts (including JPC experts) to be deputed to the participating countries; and
- iii. Local implementation costs for observational study missions to Japan (once for each participating country).

*Ryuichiro Yamazaki*

Ryuichiro Yamazaki  
Secretary-General