

Asian Productivity Organization

Hirakawa-cho Dai-ichi Seimei Bldg. 2F
1-2-10, Hirakawa-cho, Chiyoda-ku
Tokyo, 102-0093 Japan



Tel:(81-3)5226-3920 Fax:(81-3)5226-3950
E-mail: apo@apo-tokyo.org
URL: www.apo-tokyo.org

2 April 2012

PROJECT NOTIFICATION

1. **Project Code:** 12-IN-91-GE-DON-C
2. **Project Title:** **Member Country Support Program (first year of a two-year project cycle)**
3. **Duration and Timing:** May 2012–April 2013
4. **Venue:** Japan and participating member country
5. **Implementing Organizations:** Japan Productivity Center (JPC) and selected NPO
6. **Proposed Participating Countries:** Selected member country
7. **Deadline for Submission of Initial Proposal Document:**

Member countries interested in the project are requested to nominate themselves for the Member Country Support Program (MCSP) based on the selection criteria (Attachment I) and submit a proposal document for an MCSP project following the application guidelines (Attachment II).

The letter of intent and supporting proposal documents should reach the APO Secretariat before **27 April 2012**.

8. Objectives:

To strengthen the NPO and partnering organization(s) of the participating member country by upgrading their capacities for productivity promotion, consultancy, and training in specific skills in subject areas through the establishment of demonstration-cum-productivity model companies/organizations, in-country training, and an observational study mission to Japan with the technical assistance and consultancy from the assigned APO expert(s). The demonstration/model companies/organizations will apply the specific skills and knowledge gained with the help of NPO professionals under the supervision of the expert(s) to become role models and showcase the tangible results of productivity, quality, and environmental improvements in the selected processes. The project also aims at assisting the NPO to build its capacity to provide consultancy and training services through active involvement in the project.

9. Background:

The MCSP is a two-year project to assist an individual NPO to develop its capacity through activities based on its needs and abilities. The project has been designed as a combination of APO program schemes, such as technical expert services, observational study missions, and development of demonstration/model companies. The JPC has supported this project by bearing part of the cost of assigning international experts and therefore collaborates in selecting an NPO as a beneficiary of the MCSP. The main focus areas are the development of internal expertise through the training of consultants to benefit the NPO and establishment of model local SMEs. Since 2002, the NPOs of Bangladesh, Cambodia, Indonesia, Lao PDR, Malaysia, Mongolia, Pakistan, Sri Lanka, and Vietnam have benefitted from the MCSP.

After the successful implementation and dissemination of material flow cost accounting (MFCA) in Malaysia during the most recent MCSP project cycle (2010–2012), the JPC and APO decided to expand it to other member countries. Thus, in the 2012–2014 cycle, the focus of the MCSP will be on MFCA.

MFCA traces all input materials flowing through production processes and measures output in finished products and waste. It can provide internal and external benefits, enabling an organization to make higher profit with less environmental impact. A typical internal benefit is the strengthening of an organization's competitiveness, since MFCA delivers both increased profits and material productivity. This is very much in line with the Green Productivity (GP) concept and can be used as one effective tool to implement GP in organizations and factories.

All interested member countries are invited to submit detailed, comprehensive proposals in response to this project notification. However, member countries that were not involved in this project in the past six years will be given priority in the 2012–2014 project cycle. Based on the appropriateness of the proposals, one NPO will be selected. After completion of the project, the benefiting NPO is expected to upgrade its services in productivity promotion, training, and consultancy with the skills and knowledge of MFCA acquired. It is also expected that the benefiting NPO will sustain the development of MFCA demonstration/model companies as showcases for local industries and proactively disseminate the outcomes/achievements of the MCSP project in similar industries within the country as well as in other member countries.

All parties involved must take full responsibility to ensure that the project will be implemented in accordance with the requirements and outline provided by the JPC and APO. The JPC and APO will provide suitable technical assistance including in-country training programs for NPO professionals, inputs on strategic management approaches, organization of a study mission to Japan to learn the best practices of MFCA, and capacity building of the NPO to carry out consultancy projects in selected SMEs for the development of demonstration/model companies.

10. Scope and Methodology:

Scope

- Introduction to MFCA;
- Understanding the MFCA concept, principles, and methodology;
- Learning best practices of MFCA from Japan;
- Implementation of MFCA in selected demonstration/model companies;
- Documenting MFCA implementation;
- Understanding problems faced during implementation and how to overcome them;
- Developing expertise in the implementation of MFCA in SMEs;
- Developing in-house MFCA consultants within the participating NPO; and
- How to disseminate MFCA for multiplier effects.

Methodology

This project involves a three-pronged approach: assigning technical experts; organizing an observational study mission to Japan; and development of demonstration/model companies to strengthen NPOs and partnering organization(s) and train NPO professionals to develop into capable consultants in the specific subject area. The JPC and APO Secretariat will mainly be responsible for the assignment of technical experts to conduct in-country training of trainers/consultants, assist demonstration/model companies in the implementation of the project, and disseminate the achievements.

An international expert(s) designated by the JPC and APO will be assigned up to 10 times during the designated project cycle to assist in establishing the demonstration/model companies. Apart from the assignment of technical experts, the JPC and APO will organize and facilitate an observational study mission to Japan as part of the MCSP. The timing of the observational study mission and its members will be determined by the JPC and APO in consultation with the participating country/NPO and based on the progress of the project.

11. Execution of the MCSP (2012–2013):

The implementation of the MCSP will tentatively comprise five stages: selection; planning; implementation; observational study mission; and evaluation and dissemination. The flow of the project is described below.

11.1 Stage I: Selection (3 weeks)

- The NPO will identify **five** of its key professionals and at least **three** candidate demonstration/model companies (SMEs) meeting the selection criteria (Attachment III) to be involved in the project and submit the proposal documents to the APO. The selection of demonstration/model companies requires careful consideration, as they must be in a strong position to act as role models exhibiting leadership and influence on similar companies/organizations with a high level of commitment from the top management.
- The proposals will be reviewed based on the selection criteria by a joint selection committee comprising the JPC and APO Secretariat to determine the participating member country/NPO.
- After the selection process is completed, the APO Secretariat will notify the concerned NPO to confirm the demonstration/model companies. Subsequently, the

APO Secretariat will issue a Project Implementation Plan (PIP), which will include a mutually agreed-upon detailed plan, methodology, budget, and other conditions.

11.2 Stage II: Planning and Preparation of an Action Plan (1 month)

- The APO, JPC, and technical expert(s) will analyze the level of NPO professionals and demonstration/model companies and their problems through a diagnostic onsite survey.
- The selected NPO will prepare a draft action plan with assistance and inputs from the expert(s). The NPO will discuss the plan with partnering organizations and selected demonstration/model companies to obtain a consensus on a mutually agreeable action plan including scheduled duration, roles and responsibilities of each party, and methodology.

11.3 Stage III: Implementation (18 months)

- The agreed-upon action plan will be implemented, which will include training and capacity building of the parties involved in the MCSP project.
- The expert(s), NPO, and APO will be in continuous contact and will communicate regularly during the project to monitor implementation and review progress. Problems and administrative bottlenecks encountered during the project will be resolved jointly in the spirit of mutual cooperation.

Note: Stage III will continue in the second year of the MCSP (2012–2014) cycle, i.e., 2013.

11.4 Stage IV: Observational Study Mission (about 1 week)

- NPO professionals, local experts, and representatives of demonstration/model companies will visit Japan to study the best practices of MFCA. The mission will also consult with the expert(s) on ongoing demonstration projects.

Note: Stage IV may be implemented at the end of 2012.

The following stages are expected to be implemented in the second year of the MCSP (2012–2014) cycle, i.e., 2013.

11.5 Stage V: Evaluation and Dissemination (4 months)

- The expert(s), selected NPO, JPC, and APO will conduct an evaluation at mid-term and upon completion of the project to determine whether the objectives were achieved. The NPO, especially staff involved in the implementation, will take the lead in this stage and carry out dissemination activities to ensure multiplier effects in the region/area. (The NPO in consultation with the demonstration/model company(ies) will submit a plan for dissemination activities to the APO in advance before the completion of stage III.)
- In this stage, the results of the project will be disseminated through a local seminar(s) organized by the NPO. The final report, training manual, and dissemination material in a local language (if possible, also in English) will be distributed by the NPO for wider dissemination.

12. Roles and Responsibilities of Parties Involved:

NPO:

Since NPOs are the key to the sustainability and reproducibility of MCSP projects, their active participation in the project is vital. The concerned NPO is the nodal implementing agency responsible for successful execution of the project starting from the selection of demonstration/model companies until the completion of the project including dissemination as specified in the PIP to be issued later.

Prior to the nomination and selection of demonstration/model companies, it is imperative that the NPO hold internal meetings involving top management to ensure their commitment to the project and with top managers of prospective demonstration/model companies to explain the objectives and methodology of the project.

The NPO will identify and assign at least **five** qualified NPO professional/consultants to be fully involved in the project and will be responsible for their involvement throughout the project.

The NPO will guide and assist demonstration/model companies in planning, coordinating, executing, monitoring, and documenting project activities in consultation with the expert(s) and APO.

The NPO will play the main role in dissemination activities and prepare a prior action plan for dissemination and implement it. (The tentative dissemination plan will be submitted along with the proposal.)

The NPO may involve relevant industrial associations in the project from the beginning to ensure multiplier effects and dissemination. The NPO will also explore possibilities of obtaining financial support from such industrial associations for dissemination activities, ultimately benefiting other organizations in the area.

The NPO will assign priority to qualified candidates from among its staff as well as among demonstration/model companies for nomination to relevant APO projects for the capacity building of technical staff.

The NPO will endeavor to utilize the services of the expert(s) assigned by the APO for other neighboring organizations during the project period to ensure multiplier effects.

The NPO will, in association with demonstration/model companies, prepare dissemination material on the project for distribution among other organizations in the area.

Demonstration/Model Companies:

The demonstration/model companies will assign a team of dedicated, technically qualified company professionals and staff to work on the project in consultation with the expert(s)/selected NPO/JPC/APO.

The demonstration/model companies will provide all necessary inputs and information required for the project, extend all necessary local support to the expert(s)/NPO/JPC/APO,

implement all suggestions and recommendations of the expert(s) based on feasibility, and document results/outcomes.

The demonstration/model companies will demonstrate complete openness and willingness during dissemination activities for the benefit of other organizations/companies as planned by the NPO/JPC/APO.

The demonstration/model companies will cooperate and provide all necessary support during the postproject impact evaluation, if required.

The JPC and APO:

The main responsibilities of the JPC and APO are to provide the expert(s) during specified periods of the project and organize an observational study mission to Japan. The details will be specified in the PIP to be issued later.

Expert(s):

The role of the expert(s) is to provide consultancy and training in the area of MFCA. Whenever necessary, he/she will organize training programs for skill development of selected NPO professionals and employees of demonstration/model companies. On a continuing, regular basis, the expert(s) will monitor and evaluate the performance and progress of the productivity enhancement activities of the NPO professionals as well as companies. It is also his/her responsibility to assist the NPO/JPC/APO in developing a training manual and dissemination material for the demonstration project. The expert(s) also undertakes the role of chief resource person in organizing a dissemination seminar/workshop.

13. Financial Arrangements:

a) To be borne by the APO

- i. Partial daily subsistence allowance (DSA) and honoraria for up to 10 expert assignments (including JPC experts) to the participating country in one year.

b) To be borne by the participating country (NPO and/or demonstration/model companies)

- i. Airfare of participants for a study mission to Japan.
- ii. All local expenses to implement MCSP project.

c) To be borne by the JPC

- i. Airfare, partial DSA, and honoraria for up to 10 expert assignments (including JPC experts) to the participating country from Japan in one year.
- ii. Local implementation costs in Japan for one observational study mission from the participating country to Japan at the end of 2012.

14. Actions by Interested Member Countries:

NPOs interested in participating in this MCSP (2012–2014) cycle are requested to submit proposal documents to the APO Secretariat by the deadline given in item 7.



Ryuichiro Yamazaki
Secretary-General

MI:nk

**SELECTION CRITERIA FOR PARTICIPATING NPOS FOR
THE MEMBER COUNTRY SUPPORT PROGRAM (MCSP)**

The major factors to be included in the proposal and considered for selection to participate in the MCSP are:

1. NPO commitment

- The NPO should demonstrate its clear intention and capabilities to undertake the MCSP project.
- The NPO should set up a team/committee among NPO professionals/consultants to carry out the necessary activities of the project.
- The NPO should identify a minimum of five potential demonstration/model companies, which should be mainly SMEs.
- The NPO should identify a national-level partnering institute/organization that can be the key to disseminate the project results.

2. Priority

- Priority should be given to SMEs (up to 500 employees).

3. Preferred sectors

SMEs that have strategic importance within the national economy are preferred.

4. Considerations for the MFCA demonstration/model company

- There should be a willingness and commitment of the selected demonstration/model companies to implement MFCA and to share its achievements with other enterprises in similar lines of business.
- The selected candidate companies should have sufficient organizational resources (time, staff, money, business plan) to plan, implement (e.g., changes in facilities, technologies, processes), and disseminate the results of the project or have access to such capabilities through various external incentive schemes.
- In principle, the selected candidate companies should not have received or be receiving concurrent funding for a similar activity from another international agency without the consent of all parties concerned.
- For more detailed criteria, please refer to Attachment III: Criteria for Selection of Demonstration/Model Companies for the MCSP in Participating Countries.

APPLICATION GUIDELINES

The following information should be included in the proposal document:

- 1. Profile of NPO professionals expected to be involved in the MCSP**
 - Name/designation and brief profile
 - Type of responsibility/activities currently undertaken
 - Objectives of his/her involvement in the MCSP
 - Expected role and assignment after the completion of the project in relation to MFCA

- 2. Profile of the demonstration/model companies**
 - Name/address of the company and its head/CEO
 - Type of business/activities undertaken
 - Location of demonstration/model company (postal mailing address if different, and telephone/fax/e-mail)
 - Date of establishment and type and volume of products/services
 - Annual turnover/budget if available
 - Number of employees (seasonal and off-season employment figures if applicable)
 - Financial statements for the last three years

- 3. Current problems faced by the demonstration/model companies related to Green Productivity/environmental accounting/environmental management system**
 - Details of major services/activities
 - Problems encountered by the company in GP/environmental accounting/environmental management system
 - Efforts made to overcome these problems so far if any
 - Envisaged improvement plans and expected results

- 4. Partnering institute/organization**
 - Profile of the partnering institute/organization (national level) that is expected to join the NPO in the project, especially to enhance the visibility and impact of the project in the country

- 5. Dissemination plan for multiplier effects of the project**
 - Details of activities that the NPO will undertake for dissemination purposes
 - Names of other organizations expected to learn from and follow the demonstration/model companies

Criteria for Selection of Demonstration/Model Companies for the MCSP in Participating Countries

The following are the criteria for the selection of demonstration/model companies wishing to adopt MFCA:

1) Type of industry

Forming process or machining process enterprises are preferred.

a. Forming process

After the forming of raw materials (e.g., resins and metals), unused portions such as runners become material losses. Additional material losses are generated during the switch between types of items produced. Material losses are frequently higher when manufacturing wide varieties of products in small quantities.

b. Machining process

The machining of various materials such as metals, resins, glass, and wood results in material losses in each process including pressing, cutting, lathing, milling, and polishing.

2) Type of company

The following types of company are preferred:

a. Generating large amounts of waste (not necessarily pollution);

b. Production involves numerous processes; and

c. Products have high value added.

3) Size of company

The demonstration/model company should be medium-sized, since smaller companies face organizational capacity constraints.

4) Management capacity

Tangible results are difficult to achieve without a certain level of management expertise and commitment. Demonstration/model companies must have a management structure committed to two years of MFCA activities, leading to tangible results that can be copied by others in the same subsector. ISO 14001-certified enterprises are preferred.

5) Top management understanding and awareness of resource productivity

Commitment to and enthusiasm for the adoption of MFCA by the highest level of management are indispensable for satisfactory results. Top management must agree to share the gains from resource productivity enhancement fairly.

6) Location of company

The demonstration/model company should be located sufficiently close to the NPO office to enable convenient visits by NPO consultants and assigned experts.

7) Disclosure of consulting process and project results

The demonstration/model companies are requested to disclose the results of the consulting process and resource productivity improvement activities to third parties/other companies for dissemination purposes. The NPO may keep the company name, financial data, and material data private and/or mask such information if requested.

8) Other considerations

When consultancy is performed free of charge, transportation should be provided by the demonstration/model company. Agreement on such provisions should be documented in a memorandum of understanding (MOU) between the NPO and the demonstration/model company.