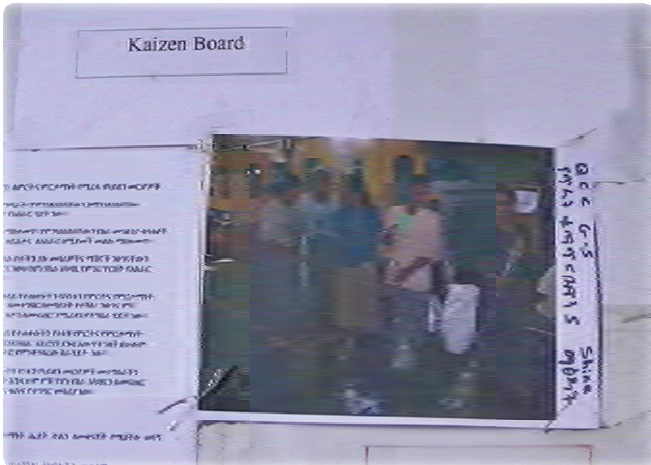


...Continued



A picture of KAIZEN board of operators Shining their work area documents reality and makes it public to motivate employees.



Training for QCC by Kaizen Core team



Kaizen Board & Visual Management system ensure that everyone has a common viewpoint towards companies goals and keep everyone well informed in a transparent way.



QCC meeting on how to improve their process

**By: Samson & Zemedkun
KAIZEN Unit Members**

Issued by : Quality and Productivity
Improvement (KAIZEN) Project,
MoI / JICA

MoI-MIDI :
Tel : +251— 11— 629— 3475
Fax : +251-11- 629- 3474
E-mail : bmea@ethionet.et

JICA:
Tel : + 251— 11-550—4755
E-mail : el oso rep@jica.go.jp

For further information, please contact:
Metal Industry Development Institute (MIDI), MoI
P.O. Box 1180, Addis Ababa, Ethiopia
at the contact information left.



Ethiopian
Ministry of Industry

KAIZEN Newsletter

Quality and Productivity Improvement (KAIZEN)



Japan International
Cooperation Agency

National KAIZEN Seminar

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KAIZEN
Seminar

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National KAIZEN Seminar was held on May 3, 2011 in order to present this Study's outcomes to the Ethiopian government officials and representatives of public and private institutions that were stakeholders of KAIZEN dissemination in Ethiopia. The presentation subjects were: main accomplishments of the pilot project; the methodologies of KAIZEN guidance estab-

lished in the pilot project; and the Dissemination Plan formulated in the Study.

As the result of the presentations and the discussion that followed, the officials and stakeholders came to share a basic understanding of the KAIZEN methodologies and the proposed Dissemination Plan, and favourable opinions were voiced as follows;

Quality is culture of a nation. A movement is required in order for quality improvement through KAIZEN to progress continuously and achieve transformation of quality in products and services in the country. KAIZEN curriculums should be included in the country's education system in consideration with human resources development of the next generation. **(From academics stakeholder)**



Dissemination Plan was presented at the seminar by a member of JICA KAIZEN Study team.



A specialized institution is needed to be set up from the standpoint of education. KAIZEN should be taught in the initial stages of education such as kinder-garden. Education is important in the long run to make companies capable of surviving as a going-concern and to make them internationally competitive.

(From two managers of pilot companies)

JICA Celebrates Success of KAIZEN Study Project and Commits Further Support

Mr. Koji Ota
Chief Representative
JICA Ethiopia
Office

Mr. Ahmmmed Nuru
Advisor to the State
Minister
Ministry of Industry



Mr. Getahun Tadesse
KAIZEN Project Leader
Ministry of Industry

H.E. Hiroyuki Kishino
Extraordinary and
Plenipotentiary,
Ambassador of Japan to
Ethiopia

We, Japan International Cooperation Agency (JICA) are about to complete the current KAIZEN Study Project which has been conducted with KAIZEN Unit under Ministry of Industry (MoI). We are happy with successful results in the project and make a firm promise to support further efforts of Government of Ethiopia to disseminate KAIZEN all over the country after the completion of the current project.

JICA have supported activities of KAIZEN Unit under MoI since October 2009. This cooperation stems from a request made to Japan by His Excellency Prime Minister Mr. Meles Zenawi, who has been interested in KAIZEN to improve competitiveness of industries in Ethiopia. Cognizant of strong needs to improve quality and productivity in industries to realize rapid economic growth of Ethiopia, JICA launched a project to Support KAIZEN Unit. In the project, thanks to much effort by members of KAIZEN Unit and Japanese consultants, many successful examples of Pilot Project companies, precious material for the dissemination and important findings has been realized. In addition, KAIZEN Unit members acquired much skill and knowledge about KAIZEN and they are expected to play a center role

in further dissemination.

As for the next step after completion of the current project, JICA is aware that the Government of Ethiopia is so keen on disseminating KAIZEN to enterprises in regional areas and micro and small companies (MSE) that has not yet been covered in the current project so far. JICA is willing to support the further efforts in the next stage. As institutional framework is in need for further dissemination, the Government of Ethiopia is having an internal discussion about new institute to be established to disseminate KAIZEN and JICA have also dispatched an advisor for the institutionalization in the Government. We JICA do hope that current Unit members are transferred to the newly established institute and use their knowledge and skills.

JICA celebrates the success made by the Government of Ethiopia in the KAIZEN Study Project. In addition, we firmly commit our support for the further efforts to be done in the next stage.

Koji Ota
Chief Representative
JICA Ethiopia Office

Productivity as a stimulus of trade competitiveness through KAIZEN

As the world becomes more globalized, trade rises in volume and prominence. Trade benefits both the seller and the buyer, resulting in specialization that in turn increases overall productivity of the economy. However, sometimes trade, especially that between countries, is hampered by excessive regulations, quotas, tariffs and other trade barriers.

Breaking down those barriers and promoting trade should be a priority for policymakers around the world. Improving the productivity and global competitiveness of domestic producers through just proofed management systems and participation in the international market is of unquestionable way out.

By the adoption and adaptation of appropriate knowledge, technologies and management techniques such as KAIZEN in a country and develop solutions specific to own needs, as opposed to simply copying approaches used by developed countries, it is possible to achieve competitive world power resulting from enhanced quality and productivity.

Some potential problems associated with trade promotions programs in Ethiopia are costs, quality, delivery, the potential impact on small manufacturers, the tendency to rely too much on trade promotions to move merchandise and lack of trade promotion performance measures.

The Ethiopian government has embarked on concerted socio-economic policy and institutional reforms with a view to promoting economic growth. The government has also commenced Balanced Score Card, Benchmarking and KAIZEN to improve the national scale impediments of quality and productivity.

KAIZEN project is operating in Ethiopia, since 2009. The KAIZEN activity stresses the need for promoting and safeguarding Ethiopian interests in export and import trade by solving the issues and challenges of the trade promotions resulting from Kaizen techniques implementation and sustaining of the remarkable outputs obtained.

It is noted that one of the major ways to promote trade is to increase public awareness (through mass media campaigns, kaizen and trade education in schools and universities, and the embrace of kaizen by country leaders) of the benefits trade brings to societies and the capability of Kaizen management system to effect the benefits of the trade promotion and encourage the national economy to produce more value-adding products and services and sell them abroad at low cost. The benefits are not just economic, but also social and cultural as people from different places meet, exchanging goods, services and ideas. KAIZEN helps continually improve trade promotions and supports utilize processes & systems that measure trade promotion performances.

To deal with global competition, the government of Ethiopia has to mobilize in its full capacity to implement KAIZEN in all public & private sectors, and prioritize measures to raise productivity & strengthen national competitiveness because effective and efficient sectors are vital for economic development.

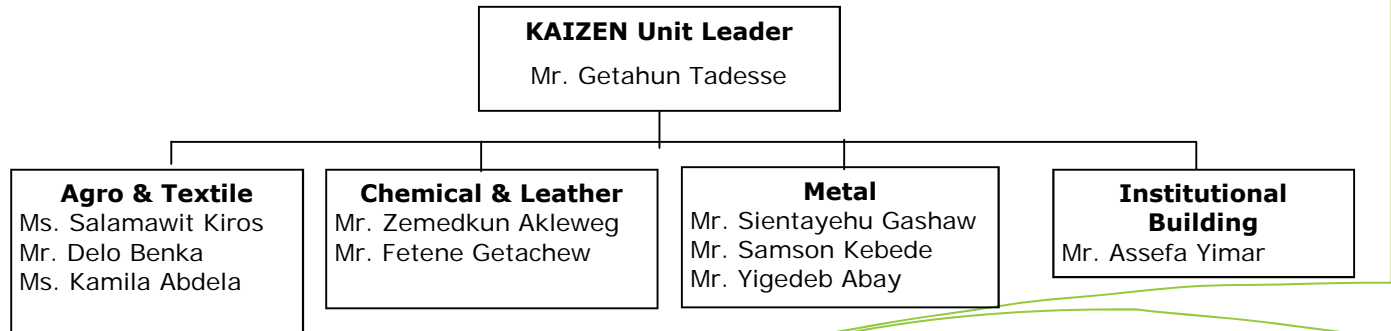
Assefa Yimar
KAIZEN Unit



Capacity Development of KAIZEN Unit

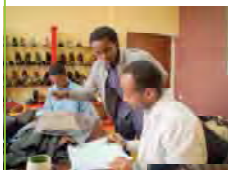
KAIZEN Unit Members

KAIZEN Unit (KU) is an organization established by Ministry Of Industry to implement the study and is being made up of following ten members as of March 2011.



Methods for Capacity Development

In the pursuit of the objective of KAIZEN Unit capacity development, four avenues were utilized in the implementation of this Study: On-the-job training, in-house training, self-learning and training in Japan.



OJT at pilot companies



Self-learning



In-house training at MIDI



First independent guidance program

In March to April 2011, KU conducted a supplementary KAIZEN guidance program for one of the pilot companies to help the company enhance its KAIZEN self-organization. At the same time, it allowed KU to independently execute a full-blown guidance program.

The company's supervisor stated that while they had been engaged in QCC activity, their lack of 5S activity had limited their achievement of problem solving. Now with 5S in place, company's effort of elimination of waste progresses resulting in improved operational efficiency.

KAIZEN Unit guidance which was conducted was very effective.

For further information, please contact:

Metal Industry Development Institute (MIDI), MoI

P.O. Box 1180, Addis Ababa, Ethiopia at the contact information left.

Issued by : Quality and Productivity Improvement (KAIZEN) Project, MoI / JICA

MoI-MIDI :

Tel : +251-11- 629- 3475

Fax : +251-11- 629- 3474

E-mail : bmea@ethionet.et

JICA:

Tel : + 251- 11-550-4755

E-mail : el oso rep@jica.go.jp

MINUTES OF MEETING
ON
INCEPTION REPORT
FOR
THE STUDY
ON
QUALITY / PRODUCTIVITY IMPROVEMENT
IN
THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

AGREED UPON BETWEEN

KAIZEN UNIT
OF
MINISTRY of TRADE and INDUSTRY
AND
JICA KAIZEN STUDY TEAM


ADDIS ABABA
4th NOVEMBER 2009



Mr. Getahun Tadesse

Manager,

Metal Product Development Center,
Ministry of Trade and Industry



Mr. Motokazu Kanokogi

Team leader,

JICA KAIZEN Study Team

In accordance with the Scope of Work (hereinafter referred to as “S/W”) for the study on Quality / Productivity Improvement in the Federal Democratic Republic of Ethiopia (hereinafter referred to as “the Study”), the Government of Japan dispatched, through Japan International Cooperation Agency (hereinafter referred to as “JICA”), the Study Team (hereinafter referred to as “Study Team”) headed by Mr. Motokazu Kanokogi for the implementation of the Study, to the Federal Democratic Republic of Ethiopia.

At the commencement of the Study, the Study Team officially submitted thirty five (35) copies of the Inception Report to the KAIZEN Unit of the Ministry of Trade and Industry (hereinafter referred to as “KAIZEN Unit”), led by Mr. Getahun Tadesse, Head of Metal Product Development Centre (MPDC), and presented the contents of the Inception Report to the first meeting held on 26th October 2009. The participants of the meeting are listed as per ANNEX-1.

In the above meeting, the KAIZEN Unit confirmed in principle that the contents of the Inception Report were prepared in compliance with the conditions set forth in the S/W and agreed to proceed to the next stage of the Study in accordance with the methodology and the schedule stipulated in the Inception Report.

In the meeting, the finalized members of the KAIZEN Unit were introduced by Mr. Getahun and the list of the KAIZEN Unit was attached as per ANNEX-2.

*Annex-1***List of Participants****Ministry of Trade and Industry**

Mr. Getahun Tadesse	Head of KAIZEN Unit cum Head of Metal Products Development Centre
Mr. Sientayehu Gashaw	Team Leader of KAIZEN Unit, Metal Products Development Centre
Mr. Yigedeb Abay	KAIZEN Unit Member, Metal Products Development Centre
Mr. Gerawork Ketsela	KAIZEN Unit Member, Textile and Apparel Industry Institute
Mr. Dello Benka	KAIZEN Unit Member, Textile and Apparel Industry Institute
Ms. Salamiwit Kiros	KAIZEN Unit Member, Agro-processing Department
Mr. Zemedkun Akleweg	KAIZEN Unit Member, Chemical Industry Support & CWC Implementation Department
Mr. Assefa Yimer	KAIZEN Unit Member, Privatization and Public Enterprise Supervising Agency
Ms. Kemila Abdela	KAIZEN Unit Member, Privatization and Public Enterprise Supervising Agency

JICA Ethiopia Office

Mr. Yoshiaki Noguchi	Project Formulation Advisor
Ms. Hiwot Gabremichael	Programme Officer

JICA KAIZEN Study Team

Mr. Motokazu Kanokogi	Team Leader
Mr. Jun Takeyama	Deputy Team Leader / Quality and Productivity Improvement-1
Mr. Yasuhira Takeshi	Quality and Productivity Improvement-2
Mr. Toru Tomoshige	Quality and Productivity Improvement-3
Mr. Masanobu Ninomiya	Promotion System and Institutional Building

*Annex-II***List of the KAIZEN Unit Members**

No.	Designated Responsibility	Name of KAIZEN Unit Members
1	Overall	Mr. Getahun Taddese
2	Agro-Processing	Ms. Salamiwit Kiros and Mr. Assefa Yimer
3	Chemical	Mr. Zemedkun Akleweg
4	Leather	Mr. Gerawork Ketsela, Mr. Dello Benka and Ms. Kemila Abdela
5	Metal	Mr. Sientayehu Gashaw, Mr. Yigedeb Abay
6	Textile	Mr. Gerawork Ketsela, Mr. Dello Benka and Ms. Kemila Abdela




MINUTES OF MEETING
ON
SELECTION OF COMPANIES FOR PILOT PROJECT
FOR
THE STUDY
ON
QUALITY / PRODUCTIVITY IMPROVEMENT
IN
THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

AGREED UPON BETWEEN

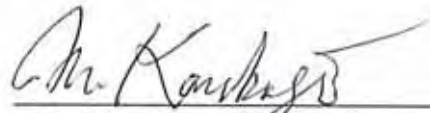
KAIZEN UNIT
OF
MINISTRY of TRADE and INDUSTRY
AND
JICA KAIZEN STUDY TEAM

ADDIS ABABA
18th DECEMBER 2009



Mr. Getahun Tadesse
Manager,

Metal Product Development Center,
Ministry of Trade and Industry



Mr. Motokazu Kanokogi

Team leader,
JICA KAIZEN Study Team

The Study on Quality / Productivity Improvement in the Federal Democratic Republic of Ethiopia (hereinafter referred as “the KAIZEN Project”) was officially commenced on 26 October 2009 and is being carried out in accordance with the Scope of Work agreed between the Ministry of Trade and Industry (MoTI) and Japan International Cooperation Agency (JICA) on 4th June 2009.

In accordance with the Scope of Work for the KAIZEN Project, KAIZEN Unit of MoTI and the JICA KAIZEN Study Team conducted a series of technical consultative meetings in order to select 30 (Thirty) companies to which the pilot project shall be carried out under the procedures agreed upon as below:

- Step 1: Setting up criteria to select 60 candidate companies
- Step 2: Preliminary survey on 60 candidate companies;
- Step 3: Determination of weights on criteria
- Step 4: Selection of 30 companies in accordance with criteria and weights

In accordance with the above steps, it is agreed by KAIZEN Unit and JICA KAIZEN Study Team that the 30 companies listed in the Table-2 were selected for the pilot project through which activities of company diagnosis and guidance, i.e., KAIZEN activities, shall be carried out.

The subsequent statements are the summary of the consensus reached through the series of technical consultative meetings held between KAIZEN Unit and JICA KAIZEN Study Team.

Article-1: Criteria to select 60 candidate companies and subsequently 30 pilot project companies

The technical criteria were agreed upon to select 60 candidate companies and subsequently 30 companies as below:

- Criteria:
- 1) Proximity to Addis Ababa with distance less than 100 km from Addis Ababa
(Capacity of the Kaizen Team and transportation workload are considered.)
 - 2) Contribution towards export trade and/or import substitution
(National strategy of Ethiopia to promote export and import substitution is considered.)

- 3) Scale of capital
(Companies with larger capital are highly evaluated, considering the degree of impact of Kaizen.)
- 4) Size of number of employees
(Companies with fewer employees compared to the scale of capital are highly evaluated, considering the degree of impact of Kaizen.)
- 5) Diversity of products
(This is to diversity the products which selected pilot project companies produce.)
- 6) Avoidance of duplication with other donors
(This is to increase the effectiveness of aid.)
- 7) Operational consideration for the pilot project including;
 - a) Interest and commitment of companies
(Company managers, who are keen to learn Kaizen, are highly evaluated.)
 - b) Characteristics of problems
(Companies, which face problems to be able to solve with Kaizen, are highly evaluated.)
 - c) Effectiveness of the pilot project
(Companies, with prospect for tangible and big success through introduction of Kaizen, are highly evaluated.)
- 8) No direct and indirect links to military purposes, based on Principle of ODA Implementation
(This is to observe the Principle.)

Article-2 Preliminary survey on 60 candidate companies

A total of 63 candidate companies were selected in accordance with the above 8 criteria. Accordingly preliminary survey on 63 candidate companies were conducted for a period from 17 November to 11 December 2009 in order to collect basic information of each company and make a rapid assessment on preparedness required for each company to conduct KAIZEN activities. The list of 63 candidate companies is attached as per Attachment-01.

Article-3 Weights on Selection Criteria

It was agreed that criteria 1 to 7 should be given the respective weights in considerations on maximization of effects from the implementation of the KAIZEN Project. The weights are presented in Table-1. All the selected companies are confirmed to meet the criteria 8.

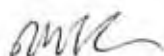


Table-1: Weights on Selection Criteria

No	Selection Criteria	Weights (in %)
1	Proximity to Addis Ababa (distance with less than 100 km)	5
2	Contribution towards export trade and/or import substitute	20
3	Scale of capital	15
4	Size of number of employees	15
5	Diversity of products	10
6	Avoidance of duplication by other donors	5
7	Operational consideration for the pilot project	30



Article-4 Distribution of selected companies among sub-sectors

It was suggested by KAIZEN Unit that 30 selected companies shall be distributed among sub-sectors in light of the current policy priority and strategic thought as follows; namely; 10 companies from Metal sub-sector; 6 companies from Agro-processing sub-sector; 6 companies from Chemical sub-sector; 4 companies from Leather sub-sector; and, 4 companies from Textile.

Article-5 Selection of 30 Companies for the pilot project

In accordance with selection criteria with weights, it was reached to a consensus that the 30 companies were selected for the purpose of the pilot project. The results from selection were presented in Table-2.

Table-2: List of Selected 30 Companies

No	Name of Company	Sub-Sector	Score	Group
1	Akaki Spare Parts and Hand Tools Share Company	Metal	98	2 nd
2	Walia Steel Industry P.L.C.	Metal	92.5	1 st
3	Alem International Steels P.L.C.	Metal	80.5	1 st
4	Gelan Metal Industry P.L.C.	Metal	78.5	1 st
5	Maru Metal Industry	Metal	77	2 nd
6	Mesfin Industrial Engineering P.L.C.	Metal	77	2 nd
7	Gatepro P.L.C.	Metal	72	2 nd
8	Techtra Engineering P.L.C.	Metal	71	1 st
9	Sintec Ethiopia P.L.C.	Metal	68.5	1 st
10	Nehemia Engineering	Metal	68.5	2 nd
11	Sebeta Agro	Agro	87	1 st
12	Universal food	Agro	85	1 st
13	Addis Mojo Edible Oil	Agro	85	1 st
14	Nas foods	Agro	80	2 nd
15	Seka business G	Agro	78	2 nd
16	Kality Food	Agro	76	2 nd
17	Matador Addis Tyre Factory S.C.	Chemical	80	1 st
18	East African Group (Ethiopia) P.L.C.	Chemical	77	2 nd
19	Zenith Gebs Eshet Limited P.L.C.	Chemical	70	2 nd
20	Kadisco Chemical Industries P.L.C.	Chemical	68	2 nd
21	Oromia Pipe Factory P.L.C.	Chemical	67	1 st

22	Ethiopian Pulp & Paper SC	Chemical	67	1 st
23	Ethio Leather Industries PLC (ELICO)	Leather	74	2 nd
24	Dire Industries (Dire Tannery)	Leather	72	1 st
25	Walia Industries LTD	Leather	70	2 nd
26	Ramsay Shoes	Leather	65	1 st
27	Adama Spinning	Textile	89	2 nd
28	Ediget Yarn and Sewing Thread	Textile	87	1 st
29	Etho-Japan Textile Factory	Textile	78	2 nd
30	G seven Trade	Textile	78	1 st

Attachment-01 63 companies list

No.	Company Name	Sub-sector
1	Awash Winery Share company	Agro Processing
2	Royal Candy & Chocolate Factory P.L.C.	Agro Processing
3	Kaliti Food Complex S.C.	Agro Processing
4	Luna Export Slaughter-House	Agro Processing
5	Meta Abo brewery S.C.	Agro Processing
6	Nas Foods P.L.C.	Agro Processing
7	Sarem Food Complex P.L.C.	Agro Processing
8	Hilina Enriched Food Processing Center plc	Agro Processing
9	Addis Modjo Edible Oil Complex S.C.	Agro Processing
10	Universal Food Complex	Agro Processing
11	Adaa Flour and Pasta Factory	Agro Processing
12	Sebeta Agro- Industry	Agro Processing
13	Misrak Flour & Bread Factory	Agro Processing
14	Seka Business Group P.L.C.	Agro Processing
15	Kadisco Chemicals Industries P.L.C	Chemical
16	Awash Melkasa Aluminium Sulphate & Sulfuric Acid	Chemical
17	Bekas Chemicals P.L.C	Chemical
18	East African Pharmaceuticals	Chemical
19	East African Group Ethiopia P.L.C	Chemical
20	Ethio Pulp and Paper S.C	Chemical
21	Matador Addis Tyre S.C	Chemical
22	National Veterinary Institute	Chemical
23	Oromia Pipe Factory	Chemical
24	Zenith Gebeseshet Limited	Chemical
25	Oxford Amalgated P.L.C.	Chemical
26	Bekrobe Business Group P.L.C	Chemical
27	Dire Tannery	Leather
28	ELICO	Leather
29	Ethiopia Tannery	Leather
30	Walia Tannery	Leather
31	Mesaco Global Tannery	Leather
32	Ramsay Shoes	Leather
33	Walia Shoes	Leather
34	G seven Trading & industry P.L.C	Textile
35	Adama Spinning	Textile
36a	Ethio-Japan Textile Factory	Textile
36b	Ediget Yarn and Sewing Thread factory	Textile
37	Crown Textile Factory	Textile
38	Ambassador Garment	Textile
39	Concept International P.L.C.	Textile
40	Nazreth Garment Share Company	Textile
41	Akaki Garment	Textile
42	Knit to Finish	Textile
43	Akaki Spare Parts and Hand Tools Share Company	Metal
44	Gelan Metal Industry P.L.C.	Metal
45	Kotebe Metal Tools Factory	Metal
46	GNM Industry P.L.C.	Metal
47	Maru metal industry	Metal
48	Holland Car P.L.C.	Metal
49	Mesfin Industrial Engineering	Metal
50	Tana Mechanical Industries & Engineering Works	Metal
51	KG P.L.C.	Metal
52	Kasma	Metal
53	Techtra P.L.C.	Metal
54	Alem International Steels P.L.C.	Metal
55	Ethiopian Steel P.L.C.	Metal
56	Sheba Steel Mills P.L.C.	Metal
57	Walia Steel Industry P.L.C.	Metal
58	Yesu P.L.C.	Metal
59	RADEL Foundary P.L.C.	Metal
60	Abyssina Integrated Steel P.L.C.	Metal
61	Steel R.P.M P.L.C.	Metal
62	Alloy Steel	Metal
63	Gatepro P.L.C.	Metal


MINUTES OF MEETING
ON
THE CHANGES IN THE SELECTED COMPANIES
FOR
THE PILOT PROJECT
OF
THE STUDY ON QUALITY / PRODUCTIVITY IMPROVEMENT
IN
THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

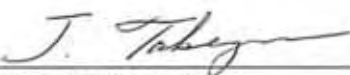
AGREED UPON BETWEEN

KAIZEN UNIT
OF
MINISTRY OF TRADE AND INDUSTRY
AND
JICA KAIZEN STUDY TEAM

ADDIS ABABA

August 6, 2010

fw

Mr. Getahun Tadasse
Head of KAIZEN Unit
Ministry of Trade and Industry


Mr. Jun Takeyama
Team Leader
JICA KAIZEN Study Team

(Next Page)

In reference to the selection of the thirty (30) companies for the pilot project of the Study on Quality / Productivity Improvement in the Federal Democratic Republic of Ethiopia that was agreed between KAIZEN Unit of Ministry of Trade and Industry (MoTI) and JICA KAIZEN Study Team on 18 December 2009, in consideration with the fact that a certain company withdrew itself from the selection, KAIZEN Unit of MoTI and JICA KAIZEN Study Team agree the following changes to the selection of the pilot project companies.

1. Nehemia Engineering (Metal sub-sector) is removed from the selection of the thirty companies of the pilot project, in response to its request to withdraw from the pilot project activities.

2. Ambassador Garment (Textile sub-sector) is added to the selection of the thirty companies of the pilot project. It was confirmed that the company met all the criteria that were used in the original selection.

The table below shows the revised list of selected 30 companies reflecting the above changes.

List of Selected 30 companies (Revised)

No	Name of Company	Sub-Sector
1	Akaki Spare Parts and Hand Tools S.C.	Metal
2	Walia Steel Industry P.L.C.	Metal
3	Alem Steel P.L.C.	Metal
4	Gelan Metal Industry P.L.C.	Metal
5	Maru Metal Industry P.L.C.	Metal
6	Mesfin Industrial Engineering P.L.C.	Metal
7	Gatepro Metal Engineering P.L.C.	Metal
8	Techtra Engineering P.L.C.	Metal
9	Sintec Ethiopia P.L.C.	Metal
10	Sebeta Agro Industry P.L.C.	Agro
11	Universal Food Complex P.L.C.	Agro
12	Addis-Mojo Edible Oil Complex S.C.	Agro
13	Nas Food P.L.C.	Agro
14	Seka business Group plc	Agro
15	Kality Food S.C.	Agro
16	Matador-Addis Tyre S.Co.	Chemical
17	East African Group (Ethiopia) P.L.C.	Chemical
18	Zenith Gebs Eshet Eth. Ltd.	Chemical
19	Kadisco Chemical Industries P.L.C.	Chemical
20	Oromia Pipe Factory P.L.C.	Chemical


21	Ethiopian Pulp & Paper S.C.	Chemical
22	Ethio Leather Industries P.L.C.	Leather
23	Dire Industry P.L.C.	Leather
24	Walia Leather and Leather Products Ltd.	Leather
25	Ramsay Shoe Factory	Leather
26	Adama Spinning Factory	Textile
27	Edget Yarn and Sewing Thread S.C.	Textile
28	Etho-Japan Synthetic Textile S.C.	Textile
29	G seven Trading and Industry P.L.C.	Textile
30	Ambassador Garment P.L.C.	Textile

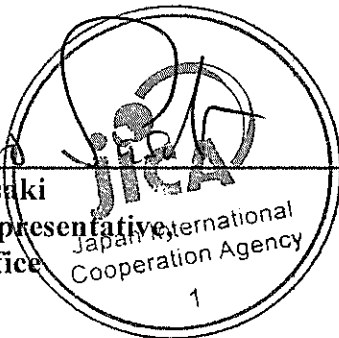


J. T.


THE SCOPE OF WORK
FOR
THE STUDY
ON
QUALITY AND PRODUCTIVITY IMPROVEMENT (KAIZEN)
IN
THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
AGREED UPON BETWEEN
THE JAPAN INTERNATIONAL COOPERATION AGENCY
AND
THE MINISTRY OF TRADE AND INDUSTRY

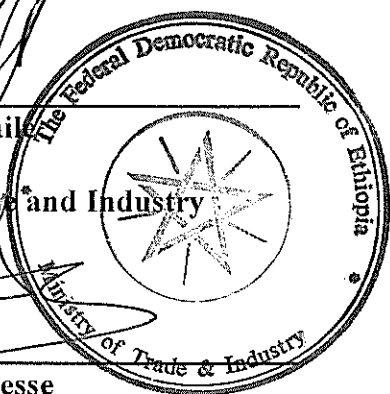
Addis Ababa, 4 June, 2009



Mr. Katsuhiro Sasaki
Chief Resident Representative,
JICA Ethiopia Office



1


H.E. Tadesse Hailemariam
State Minister,
Ministry of Trade and Industry




Mr. Tilahun Tadesse
Director,
Bilateral Cooperation,
Ministry of Finance and Economic
Development

I. INTRODUCTION:

In response to the request of the Government of Ethiopia (hereinafter referred to as "GOE"), the Government of Japan (hereinafter referred to as "GOJ") decided to conduct a Development Study on quality and productivity improvement (KAIZEN) in the Federal Democratic Republic of Ethiopia (hereinafter referred to as "the study") in accordance with the relevant laws and regulations in force in Japan.

Accordingly, the Japan International Cooperation Agency (hereinafter referred to as "JICA"), the official agency responsible for the implementation of the technical cooperation programme of GOJ, will jointly undertake the Study with the authorities concerned of GOE.

The present document sets forth the Scope of Work with regard to the study.

II. OBJECTIVES OF THE STUDY:

The objectives of the Study are:

1. To formulate a national plan for enhancing activities on quality and productivity improvement (Kaizen) for Ethiopian enterprises in industrial sector;
2. To formulate a manual which can be used to conduct the quality and productivity improvement activity (the Kaizen); and
3. To transfer relevant skills and techniques to the staff members of the Kaizen Unit, Ministry of Trade and Industry (hereinafter referred to as "MOTI").

III. STUDY AREA:

The study will cover the entire area of Ethiopia.

IV. SCOPE OF THE STUDY:

In order to achieve the objectives mentioned above, the Scope of Work for the Study shall cover the following items:

- I. Phase 1: Review of the Present Situation
 - (a) Situation analysis on Ethiopian industrial sector
 - a. Government administrative structure
 - b. Government policies relevant to industrial sector such as IDS (Industrial Development Strategy), PASDEP (Plan for Accelerated and Sustainable Development to End Poverty), Micro and Small Enterprises Development Strategy, export policy, Master Plan and Action Plan on industrial sub sectors.
 - c. Macroeconomics status of industrial sector
 - d. Current and planned projects and programs in industrial sector
 - (b) Situation analysis on quality and productivity improvement activities of Ethiopian industry
 - a. Governmental policy on quality and productivity improvement activity

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- b. The laws and regulations
 - c. Government administrative structure for supporting industrial sector
 - d. Current and planned projects and programs related to quality and productivity improvement in industrial sector
- (c) Visit to the factories in industrial sector for preliminary diagnosis
 - (d) Development conceptual framework for pilot project for quality and productivity improvement activity (Kaizen)
 - a. selection of methodology for quality and productivity improvement
 - b. set the criteria and selecting process for the pilot companies
 - (e) Selection of pilot companies
 - (f) To formulate a draft manual for quality and productivity improvement (Kaizen) activity
 - (g) Basic training on Kaizen method to the staff members of the Kaizen Unit, MOTI and related organizations
2. Phase 2: Pilot project
- (a) To prepare the implementation plan for the pilot project
 - (b) To visit the pilot companies to diagnose the situation, and to give guidance on the quality and productivity improvement activity (Kaizen) with the staff members of the Kaizen Unit, MOTI
 - (c) To repeat factory visit periodically and give Kaizen advice and to monitor the Kaizen process
 - (d) To evaluate the pilot project and compile recommendations to the factories
 - (e) To finalize the manual through the evaluation of the pilot project with Ethiopian side
3. Phase 3
- (a) To develop a draft of a national plan for enhancing activities on quality and productivity improvement (Kaizen) which includes recommendations and action plans such as policy target, organization structure and activities both in public and private sector.
 - (b) To hold a seminar to raise awareness the importance of quality and productivity improvement in industrial sector and to disseminate the result of the pilot project and method used in the pilot project
 - (c) To give guidance for Kaizen activities to the staff members of the Kaizen Unit, MOTI through the follow up of quality and productivity improvement activities.

V. SCHEDULE OF THE STUDY:

The Study will be carried out in accordance with the tentative schedule as attached in the appendix. The schedule is tentative and subject to be modified when both parties agree upon any necessity that will arise during the course of the study.

VI. REPORTS:

JICA shall prepare and submit following reports and manual in English to the GOE

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1. Inception Report:

Thirty (30) copies will be submitted to at the commencement of the first work period in Ethiopia. This report will contain the schedule and methodology of the Study as well.

2. Progress Report:

Thirty (30) copies will be submitted before starting the pilot project.

3. Interim Report:

Thirty (30) copies will be submitted within eight months after starting the pilot project.

4. Draft Final Report:

Thirty (30) copies will be submitted within 3 months after starting Phase 3. The GOE shall submit its comments within one (1) month after the receipt of the Draft Final Report.

5. Final Report:

Fifty (50) copies will be submitted within 2 months after the receipt of the comments on the Draft Final Report.

6. Manual for Quality/Productivity Improvement Activity

Fifty (50) copies will be submitted with Final Report in English.

VII. UNDERTAKINGS OF THE GOVERNMENT OF ETHIOPIA:

1. To facilitate the smooth conduct of the study; the GOE shall take necessary measures in accordance with the relevant laws and regulations of Ethiopia:
 - (1) To permit the members of the JICA study team to enter, leave and stay in the Federal Democratic Republic of Ethiopia for the duration of their assignments therein and exempt them from foreign registration requirements and consular fees ;
 - (2) To exempt the members of the JICA study team from taxes, duties and any other charges on equipment, machinery, vehicles and other material brought into the Federal Democratic Republic of Ethiopia for the implementation of the study;
 - (3) To exempt the members of the JICA study team from income tax and charges of any kind imposed on or in connection with any emoluments or allowances paid to the members of the JICA study team for their services in connection with the implementation of the study;
 - (4) To provide necessary facilities to the JICA study team for the remittance as well as utilization of the funds introduced into the Federal Democratic Republic of Ethiopia from Japan in connection with the implementation of the study;
2. The GOE shall bear claims, if any arises, against the members of the team resulting from, occurring in the course of, or otherwise connected with, the discharge of their duties in the

implementation of the study, except when such claims arise from gross negligence or willful misconduct on the part of the JICA study team.

3. MOTI, shall act as a counterpart agency to the team and also as a coordinating body with other relevant organizations for the smooth implementation of the study, on behalf of the GOE.
4. MOTI, at its own expense, provide the team with the following, in cooperation with other organizations concerned:
 - Security-related information on as well as measures to ensure the safety of the team;
 - Information on as well as support in obtaining medical service;
 - Available data (including maps and photographs) and information related to the study;
 - Counterpart personnel;
 - Suitable office space with necessary equipment; and
 - Credentials or identification cards.

VIII. UNDERTAKINGS OF THE JICA:

For the implementation of the study, JICA shall take the following measures:

1. To dispatch, as its expense, study teams to Ethiopia; and
2. To pursue technology transfer to staff members of the Kaizen Unit, MOTI in the course of study

IX. CONFIDENCIALITY:

Confidentiality shall be kept during the implementation of the study and the results of the study will be disclosed and opened for the public by necessary measures under the agreement between both sides.

X. CONSULTATION:

JICA and the MOTI consult with each other in respect of any matter that may arise from or in connection with the study.



SCHEDULE OF THE STUDY (TENTATIVE)

Year Month	2009			2010												2011								
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr			
Phase																		Phase 3						
Review of the Present Situation																								
Pilot Project																								
Extension of KAIZEN activities																								
Report																		△			△	△	△	E/R
				△										△	△	Manual		△		△	DF/R		△	E/R

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**THE MINUTES OF MEETING
ON
AN EXPERT FOR ASSISTANCE OF FORMULATION OF
NATIONAL PLAN OF KAIZEN**

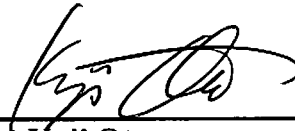
AGREED UPON BETWEEN

**THE MINISTRY OF INDUSTRY
AND
JAPAN INTERNATIONAL COOPERATION AGENCY**

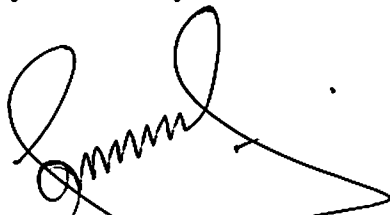
Addis Ababa, December 13, 2010



**H.E. Mr. Tadesse Haile
State Minister
Ministry of Industry**



**Mr. Koji Ota
Chief Representative
Ethiopia Office
Japan International Cooperation Agency**



**Mr. Getahun Tadesse
Director,
Metal Industry Development Institute
KAIZEN Unit,
Ministry of Industry**



1. Background

Regarding to the request of the Government of Ethiopia (hereinafter referred to as “GOE”), Ref.No. B.C. 3/20/757 (dated 3rd December, 2010), submitted to, the Government of Japan (hereinafter referred to as “GOJ”), it was observed that the proposed TOR on the national movement, organization structure and combining the report overlaps with other projects and some components of the national movement are not appropriate to include in the National Plan of the Kaizen. Both sides discussed on the components and responsibilities of the National Plan of the Kaizen, and agreed as shown in the next section.

2. Components and responsibilities of the National Plan

It was agreed that the three components below will be covered. The responsibility of each component and compilation is as follows (please refer to the attachment).

1) National Movement: GRIPS (this will be a part of the final report of the Industrial Policy Dialogue)

- 1)-1. Experiences and examples of national movement in Asian countries for quality and productivity improvement
- 1)-2. Lessons learnt from the examples in Asian countries

2) Dissemination: KAIZEN Consultant Team

- 2)-1. Basic concepts and methods of Ethiopianised KAIZEN activity developed for manufacturing Companies
- 2)-2. Plan of actions for disseminating Ethiopianised KAIZEN with Ethiopian KAIZEN Manual and AV material

3) Institutionalization: EKI expert

- 3)-1. National KAIZEN Institutional Framework
- 3)-2. Recommendation for structure of EKI which will play a central role in the National Framework
- 3)-3. Training Programme of EKI
- 3)-4. Collaborations with relevant institutions

4) Compilation of a unified National Plan: JICA

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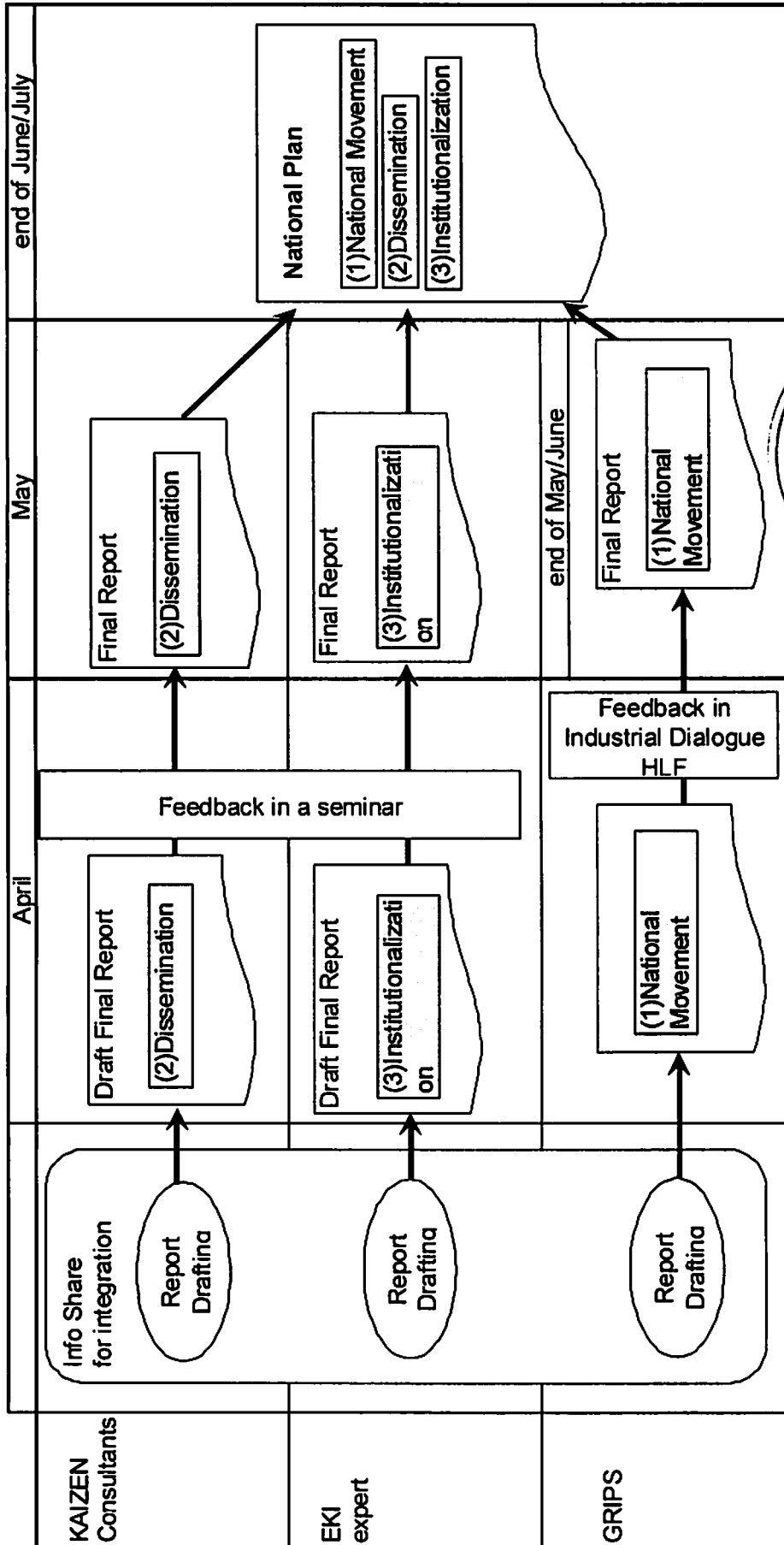
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Appendix

Suggestion for formulation process of an integrated KAIZEN National Plan



<Note>
 National Movement part written by GRIPS includes:
 examples in other Asian countries and importance of national movement

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Minutes of Meeting on
Review of
Draft Final Report of
The Study on
Quality and Productivity Improvement (KAIZEN) in
the Federal Democratic Republic of Ethiopia
between
Kaizen Unit of Ministry of Industry
and
JICA Study Team


With respect to the Study on Quality and Productivity Improvement (KAIZEN) in the Federal Democratic Republic of Ethiopia (“the Study”) and in accordance with the Scope of Work signed by Japan International Cooperation Agency (“JICA”) and Ministry of Trade and Industry on 4th June 2009, the JICA study team headed by Mr Jun Takeyama submitted the Draft Final Report of the Study, which included the KAIZEN dissemination plan, to Kaizen Unit for its review in the week of 25th April 2011. Having been reviewed favourably by Kaizen Unit, copies of the Draft Final Report were distributed by Kaizen Unit to relevant officials of the Government of Ethiopia and representatives of relevant organisations.

At the National KAIZEN Seminar held on 3rd May 2011, the JICA study team in collaboration with Kaizen Unit gave presentations on the contents of the Draft Final Report with a focus on the dissemination plan. With the relevant officials and representatives on the Ethiopian side in attendance, constructive comments were raised on the future dissemination of KAIZEN in Ethiopia. At the conclusion of the Seminar, the Ethiopia KAIZEN Manual which was developed through the Study as one of the outputs required by the Scope of Work was officially presented by JICA to Kaizen Unit.


In the subsequent meeting between Kaizen Unit and the JICA study team, it was agreed that Kaizen Unit collect written comments from the relevant participants on the Ethiopian side and convey them to the JICA study team by 13th May, 2011. It was further agreed that such written comments as well as those raised at the Seminar be given due consideration by the JICA study team for the completion of the Final Report of the Study. In addition, the both sides agreed that the Final Report be subject to public disclosure procedures in accordance with Japanese laws.

Addis Ababa


4th May, 2011



Mr Getahun Tadesse
Head,
Kaizen Unit
Ministry of Industry



Mr Jun Takeyama
Team Leader,
JICA Study Team



Mr Toru Homma
Senior Advisor
Industrial Development and
Public Policy Department
Japan International Cooperation Agency

Attachment: List of attendees of the National KAIZEN Seminar, 3rd May 2011

List of Attendees of the National KAIZEN Seminar, 3rd May 2011

		Name	Organization
MOI	1	Ahmed Nuru	MOI
Focus Group	2	Dr.Daniel kitaw	AAU
	3	Gulilat Gatew	AAU
	4	Birhanu Beshah	AAU
	5	Zewdu Kassa	ECBP
	6	Michael Budide	ECBP
	7	Berihu Assefa	EDRI/GRIPS
	8	Tesfaye W/aregay	Ethiopian Standard Agency
	9	Yohannes Solomon	FeMSeDA
	10	Seyoum Teshome	FeMSeDA
	11	Yonas Desta	LIDI
	12	Workneh Delelegn	MIDI
	13	Solomon Yohannis	MOI
	14	Tewodros Tessema	Privatization & Public Enterprises S.A
	15	Birhanu Zewde	ReMSeDA
	Pilot Companies	16	Tadesse Ayele
17		Tefera G/Wold	Addis Modjo Edible Oil
18		Teshome Tafere	Ambassador Garment
19		Kibrie Melaku	EPPSC
20		Tesfaye Gurmu	Ethio-Japan Synthetic Textile
21		Girma Afework	Gatepro
22		Demere G/Yohannis	Kadisco Chemical Industry
23		Beruk Maru	Maru Metal Industry
24		Alemayehu Emiru	Matador Addis Tyre Sh.Co
25		Abraha Hadgo	Mesfin Industrial Engineering
26		Gashaw Mekonnen	Nas Foods Plc
27		Tewodros Tadesse	Seka Business Group
28		Tewodros Tadesse	Sintec Ethiopia PLC.
29		Getahun Abebe	Techtra Engineering
30		Fikeru Mersha	Walia Steel
Other Stakeholders		31	Gebregzi Tsehaye
	32	Admit Zerihun	African Development Bank
	33	Ben Sebren	African Union
	34	Jeen Prosker Miamona	AU
	35	Engidaw	AUC
	36	Dr.Ngono Augusto	AUC
	37	Berhan W/G	AUC
	38	Anwar Neja	EEPCO
	39	Galdemas	Ethio Telecom
	40	Wach Theiuy	Ethio Telecom
	41	Abraham Damlew	Ethiopian Civil Aviation
	42	Fekadu Tilahun	Ethiopian Commodity Exchange
	43	Argaw Berga	Ethiopian Commodity Exchange
	44	Mekonen H/micheal	Ethiopian Commodity Exchange
	45	Ahmednur Yusuf	Ethiopian Investment Agency
	46	Aster Tadesse	Ethiopian News Agency
	47	Neblu Elias	Ethiopian Roads Authority
	48	Dr. Frank Ebink	GTZ
	49	Alebachew Yimam	Ministry of Agriculture
	50	Ketema Balemie	Ministry of Water & Energy
	51	Wondwossen Anteneh	MOCT (Ministry of Culture & Tourism)
	52	Yohannes Abebe	MOST
	53	Bedru Sherif	A.A.B.I.A
	Japanese Embassy & JICA	54	Hroyuki Kishino
55		Yoshinori kitamura	Embassy of Japan
56		Mizunuma Yukako	JICA
57		Koji Ota	JICA
58		Toru Homma	JICA
59		Yoshiaki Noguchi	JICA
Chair	60	Getahun Tadesse	Kaizen Unit of Ministry of Industry
	69	& 9 Kaizen Unit Members	
	70	Jun Takeyama	JICA KAIZEN Study Team
	74	& 4 JICA Study Team Members	
	75	Kazuchika Sato	JICA Expert (Institutionalization)

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