

# Summary of the annual report of the Secretary-General

Secretary-General Ryuichiro Yamazaki welcomed all present to the 54th session of the APO Governing Body and thanked the Government of Singapore and SPRING Singapore for hosting the meeting. He reminded the delegates that two critical decisions must be made.



Secretary-General Ryuichiro Yamazaki

First, the GBM had to decide on the Secretariat office relocation issue after the Government of Japan withdrew its voluntary contribution for rent from 2012. As directed by the previous GBM, the Secretariat explored several relocation options, as detailed in a reference paper provided. The Secretary-General urged the Governing Body to consider the options and their implications carefully and come to a definitive decision. Second, the Governing Body must decide on the membership contribution formula. In consultation with the APO Chair and Vice Chairs, a task force comprising APO Directors and chaired by the Government of Malaysia was formed to review the contribution formula and reach agreement. Secretary-General Yamazaki thanked the task force members for making recommendations to the GBM.

Noting that APO Directors had approved the Program and Financial Estimates for 2012, the Secretary-General said that apart from minor changes in the project lineup, the major change in the financial estimates was the revision of the yen-dollar exchange rate from ¥85 to ¥75. The strong yen and withdrawal of Japan's rental cash grant combined to reduce the 2012 budget by US\$1.6 million (about 12%) compared with 2011. Having anticipated this, the Secretariat took further cost-cutting measures that reduced administrative and project costs, and cancelled two projects in 2011, to maintain the same number of projects for 2012 as proposed at the 2011 GBM. Administrative costs were reduced by about 20% compared with 2010, mainly due to drastic cuts in staff salaries from July 2010. The Secretariat also delayed filling vacant staff positions while the office location remained uncertain. This situation is not tenable if the APO wants to maintain its professionalism.

The roles of Secretariat staff have expanded, stated Secretary-General Yamazaki. They plan and carry out projects, serve as speakers and experts in projects, and seek opportunities for collaboration with other organizations. Examples of collaboration, which also raise the visibility of the APO, with expenses paid by the host organizations included serving as an expert at an international forum organized by the UN Centre for Regional Development, National Environment Agency of Singapore, and Japan's Ministry of the Environment; validating a UN study at a roundtable organized by the Food and Agriculture Organization; and speaking at a conference organized by the UAE's Dubai

Chamber of Commerce and Industry on promoting corporate social responsibility. He emphasized that to continue playing such demanding, diverse roles, staff must be developed and the talent pool expanded. Continuing salary cuts would deprive the Secretariat of the ability to attract and retain talent. However, the Secretary-General had decided not to review the salary cuts until the office location was finalized and a comprehensive organizational review performed.

Secretary-General Yamazaki went on to highlight some activities in 2011, such as the 50th anniversary publication project generously funded by the ROC, center of excellence within SPRING Singapore for business excellence, Eco-products International Fair in India, publication of the Eco-products Database and *Eco-products Directory*, and expanded scope of the *APO Productivity Databook*. He also cited projects focusing on knowledge management and lean management techniques for the public sector, the impact of climate change on agricultural productivity, food safety management systems, community-based rural tourism, and the One Village, One Product movement.

As requested by the 2011 GBM, the Secretariat sought additional funding from members and other organizations. In addition to funding from the Colombo Plan and the UN Environment Programme, the APO collaborated with the Food and Agriculture Organization and Asian Development Bank Institute to train more participants from member countries and enhance the visibility of the APO and NPOs. Secretary-General Yamazaki expressed gratitude for special cash grants provided by the ROC, Japan, ROK, and Thailand which helped fund new programs and partially made up for the budget shortfall caused by withdrawal of the rental cash grant. While understanding current budgetary constraints, he hoped that members could continue to give cash grants. The Secretary-General also thanked countries that had paid membership contributions early.

The Secretariat improved operational effectiveness in 2011. The strategic planning process ensured that projects would achieve planned objectives and provide value to taxpayers in member countries. Processes will continue to be reviewed and streamlined with the help of IT and Internet technologies including social media. Web-based self-learning courses attract widespread interest and are a cost-effective way to disseminate knowledge; more are planned. After the GBM approved the new strategic directions last year, a plan was drafted at the WSM to reflect them. To increase the number of videoconferencing e-learning courses, the Secretariat proposed that local implementation costs be borne by participating member countries following the practice for multicountry projects. However, most member countries were

not in favor, and the number of e-learning courses was reduced. The views of APO Directors and NPO Heads on shortening both the GBM and WSM to reduce costs would be sought, the Secretary-General noted.

He asked the delegates to review documents containing the preliminary project lineup for 2013 and 2014 and the budget. Given the uncertain outlook for the US dollar, the Secretariat proposed that the 2012 exchange rate of ¥75 be maintained for the 2013/2014 biennium. He explained the two budget options prepared for consideration, which were contingent on four possible scenarios involving the office rent. He felt confident that the Governing Body would reach a consensus on the budgetary issue and the related Secretariat office move. The decisions made at this GBM would define the next chapter of the APO and Asia-Pacific productivity movement, he added.

In concluding, Secretary-General Yamazaki stated, “My annual report has one consistent theme: expect changes. Changes are necessary to transform the APO and prepare the organization to expand its activities and membership. I look forward to hearing innovative ideas to lead the APO into its next phase of growth.” 