

Annual report of the Secretary-General

The APO Secretary-General presents his annual report to the Governing Body Meeting (GBM) every year to outline performance in the previous year and preview future activities and policy directives under consideration.

Secretary-General Shigeo Takenaka thanked the Government of the Republic of Korea and Chairman and staff of the Korea Productivity Center for hosting the meeting and welcomed all delegates, advisers, and observers at the beginning of the presentation. He said that the 2005 annual report circulated previously had provided a detailed account of activities in 2005 and therefore he would not elaborate further. Instead, he focused on the three topics touched on in his statement at the 2005 GBM: APO activities must be more focused; performance must be more cost-effective; and interactions with national and international organizations should increase.

Secretary-General Takenaka pointed out that the Secretariat had taken a number of measures to reduce administrative and operational costs. The voluntary return of 3% of gross salaries of Secretariat staff members from May 2005 was extended for another year. Two departmental directors and two senior general service staff members who left the Secretariat were replaced by younger individuals with considerable savings in administrative costs. Project costs were reduced by about 10% in 2005 compared with the previous year, although the total number of projects remained about the same. In addition, a substantial reduction of arrears in membership contributions contributed significantly to improving the financial situation of the APO.

Referring to APO Secretariat reform, Takenaka said that efforts had been made to increase transfers of staff among departments, as called for in the APO Secretariat Reform Plan. There had been an exchange of officers between the Industry and Agriculture Departments, and a senior officer in the Information and Public Relations Department moved to the Environment Department. Those transfers marked a first step in efforts to increase



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personnel mobility and to overcome the tendency toward “silo thinking” within the Secretariat.

With regard to financial management, the Secretary-General said that a review of current financial procedures was being undertaken to streamline them for greater clarity, efficiency, and accountability. Although some progress had been made, much more needed to be done, he acknowledged. He said that the process of reform which the Secretariat had set in motion would gain momentum from now but there was still a long way to go and the goal could not be reached without the full support of member countries. He expressed his hope that the APO Secretariat Reform Plan submitted to the GBM would be strongly endorsed by all member countries.

The Secretary-General then turned to the need for sharpening the focus of activities and said that he had singled out the issue of increasing private-sector participation in APO projects. As a follow-up, the Secretariat proposed organizing a number of projects aimed at attracting those in the private sector in both the 2006 program and the ensuing two-year plan. At the Workshop Meeting of Heads of NPOs in February, a number of delegates commented that the traveling expenses private-sector participants must bear is a major cause of their absence in APO projects and that the APO should pay their airfares as well. In heeding their advice, the Secretariat submitted a proposal to amend the project regulation governing this. The Secretary-General hoped that the number of private-sector

attendees would rise if the Secretariat's recommendations were approved. A second way, he said, was to continue to shift the emphasis from Category A projects to Categories B and C. One advantage of Category B projects is that participants from countries with a common interest or geographic proximity can share a learning experience. Another advantage, often overlooked, is that more than one individual can be invited from each participating country. The benefit of this should not be underestimated if tangible results from APO projects are to be achieved. One person cannot become the nucleus of a new productivity initiative. Three to five people representing diverse interests can do so if they are able to form a network in their country. With this in mind, member countries and the Secretariat should join forces to expand and improve on Category B projects, the Secretary-General recommended. A third way is to pay more attention to tangible results. This can take various forms. If the APO persists in a result-oriented approach, projects that could make a difference to member countries are more likely to be selected. The Secretary-General explained that the Secretariat had proposed amending the project regulations to provide airfares to private-sector participants and would also make extra efforts to shift the emphasis from Category A projects to Categories B and C projects and formulate projects that are result oriented.

However, all these efforts would come to naught if the quality of participants were uneven, he cautioned. Referring to projects in 2005, Takenaka said that he had attended several, heard presentations, joined group discussions, and participated in site visits. Most of the participants were well qualified and well motivated, but some did not seem to have the requisite qualifications or work experience to benefit from APO projects. Such participants, as has been frequently mentioned by other participants and resource persons, undermined the learning experience of the whole group. He expressed the hope that member countries would give their full support and cooperation to ensure that the quality of participants met levels specified in project notifications.

Touching on international collaboration, the Secretary-General described briefly activities under the alliance with the ASEAN Foundation and the African initiative. The APO's collaboration with the ASEAN Foundation began in 2005 with a grant of approximately US\$355,000 from the foundation to organize three projects targeting ASEAN countries in the APO membership. This collaboration was renewed in 2006 with a new grant of almost US\$500,000 for four projects. Under the African initiative, it is planned to sponsor a round-table conference for the promotion of the productivity movement in Africa in Johannesburg, South Africa, in late August for productivity stakeholders from seven African countries to which the APO is planning to depute five resource persons from APO member countries other than Japan, including two NPO heads, two former NPO heads, and a senior NPO director. In addition to the event in South Africa, selected African countries will be invited to send participants to attend two regular APO projects, one in the Philippines and the other in Thailand.

The Deputy President of South Africa, who visited the Secretariat in April 2005, expressed her appreciation for the APO's support and cooperation. The Secretary-General thanked the Government of Japan for the special fund for the African initiative and member countries and NPOs for their assistance and cooperation through the deputation of resource persons and the acceptance of African participants.

Finally, the Secretary-General noted that this year marked the 45th anniversary of the establishment of the APO and that he believed that the organization was just reaching its prime and was full of energy and enthusiasm to break new ground and reach new heights in promoting the cause of higher productivity. Since its establishment, the APO had made important and lasting contributions to the socioeconomic development of the region and would continue to make a difference, he concluded. 