

# Annual report of the Secretary-General

**A**PO Secretary-General Yamazaki welcomed APO directors, advisers, and observers to the 55th Session of the GBM and thanked the Government of Japan and the JPC for being gracious hosts. Reflecting on his three-year term, he reviewed the four major challenges faced by the Secretariat when he assumed the office: the lack of budget due to yen appreciation; withdrawal of the cash grant for the Secretariat office; the need to find an alternative office space; and the Great East Japan earthquake that affected the 2011 GBM. He thanked member countries, in particular the Government of Japan, who bore the cost of the rent, for its support for the Secretariat to relocate to a new location in Bunkyo ward, in spite of in the very tight timeline. He reported that the office relocation had a 20% lower rental rate by reducing space by approximately 50%, while the total relocation cost was almost 10% less than the original estimates.



Secretary-General Ryuichiro Yamazaki

The Secretary-General stated that the issue of the membership contribution formula had remained unresolved despite the best efforts of APO directors and himself. He hoped that member countries would finally agree to a long-term solution to ensure the smooth, stable operations of the APO. Without an agreement, the cash flow situation would be affected and surplus and working capital would have to be utilized to implement the ongoing 2013 programs. The Secretary-General urged members to disburse their individual contributions immediately after this GBM had made its decision.

Secretary-General Yamazaki pledged that the Secretariat would adopt a holistic approach to review the organizational structure, staff regulations and rules, remuneration packages, programs, and projects in consultation with experts to align APO policies with those of the international community and improve operational effectiveness. The Secretariat had implemented severe salary cuts since 2010, which allowed administrative cost-cutting by 30% compared with five years ago. Meanwhile, he stated that the Secretariat would also redouble efforts to hire appropriate professionals to serve its members better. He reported that the APO had managed to fill the vacant posts of finance officer and accounting staff member, as well as one professional officer, while two more vacancies for professional staff had still to be filled. The Secretariat would introduce a cost-effective training program to build and enhance the skills and competence of professional staff, he noted. Furthermore, the Secretary-General said that ICT had been leveraged to improve workflow and communication and that the main computer servers had been relocated into a secure data center

in Yokohama in August 2012 to protect the APO's information assets and ensure business continuity management even in case of a natural or man-made disaster.

The Secretary-General thanked the APO directors for approving the Program and Financial Estimates for 2013 as circulated at the beginning of March. With the revision of the yen-dollar exchange rate from ¥75 to ¥79, more multicountry projects could be implemented. The 2013 Program Plan included 68 multicountry projects, an increase of 10 from 2012. Six of these additional projects resulted from suggestions made by APO directors at last year's 54th GBM.

The Secretary-General reported on the progress of efforts to attract new membership. The Secretariat held discussions with officials from Turkey, and its government was conducting domestic approval procedures. The Secretariat had also made efforts to involve Myanmar in APO programs through cash grants from the Government of Japan as well as jointly funded projects with the ADB. The Secretary-General had also communicated with the governments of Brunei and Australia on possible APO membership. There had been an excellent exchange with the government of the UAE and Dubai Chamber of Commerce and Industry, which expressed interest in APO membership as well as in collaborative productivity-related initiatives. Among efforts to enhance the APO's visibility, he reported that the Secretariat had collaborated with NPOs and international organizations, which led to APO activities being profiled in more than 80 English-language news articles, online news sites, e-newsletters, and TV broadcasts. The APO had also dispatched Secretariat staff to speak at international forums and circulated its publications widely among government organizations, NPOs, international organizations, and research institutes.

The Secretary-General emphasized the importance of generating tangible outcomes of APO programs, while noting the daunting task of measuring their real impact. He reiterated, "The completion of a project is not the end. It is not even the beginning of the end but merely the beginning of a lifetime of applying and disseminating the new knowledge you have acquired." With this mindset, the APO now requires follow-up action reports three to six months after the end of projects.

The Secretary-General reported that one of the key areas where the APO had made its international mark was in productivity research. The productivity data and analyses obtained through the *APO Productivity Databook* project were highly sought after by international industry associations, governments, financial and research institutions, as well as the international media. This had been very apparent on his recent mission to the UAE, where government officials and journalists repeatedly asked for the APO's views on comparative productivity performance based on its data and analysis. Another example of concrete outcomes was the APO Public-sector Productivity Program Framework. He added that the Center of Excellence on Business Excellence (COE on BE) had conducted research on the impact of BE on enterprises and developed training manuals and practical self-help toolkits for SMEs. An expert panel had recommended a new COE on Green Productivity to be hosted by the ROC, said Secretary-

General Yamazaki. Moreover, the Secretariat had implemented programs funded by special grants, including a special program funded by the Government of Japan to help revitalize the agriculture and food industries in the Tohoku region of Japan. Through a grant from the Government of the ROC, the International Conference on Productivity and Sustainable, Inclusive Development in the Asia-Pacific was held in Taipei.

The Secretary-General then touched upon the planning of the 2015 and 2016 programs, while mentioning that he would look forward to the policy statements and feedback of APO directors during the GBM to identify emerging productivity issues and provide directions for the program planning cycle for the new biennium. He said that the Secretariat would hold a strategic planning workshop for all APO liaison officers in June in Tokyo to discuss new APO initiatives and member countries' priorities, review the results of a survey on the 2015/2016 Program Plan, and coordinate follow-up activities with NPOs to maximize the impact of programs. He mentioned that all APO programs, including some major ones such as the *APO Productivity Databook* and EPIF, were being reviewed to weigh their costs versus benefits.

In conclusion, Secretary-General Yamazaki stated that the APO had managed to persevere in the face of a gauntlet of challenges posed by the changing environment and economic circumstances of member countries. He added that the office relocation had marked a new beginning for the APO. He thanked all APO directors for their strong support during his tenure and reaffirmed the importance of the job of the Secretary-General in the quest to raise the standard of living for the citizens of member countries. 🌀