

Annual report of the Secretary-General

One feature of the APO Governing Body Meeting (GBM) is the annual report of the Secretary-General. That report sums up the previous year's activities and administrative matters, comments on new initiatives, and casts an eye ahead to future plans for APO projects and programs. The gist of Secretary-General Shigeo Takenaka's annual report to the GBM in Tehran is given below. For the full text, please see the APO Web site.

After welcoming all present to the 50th Session of the APO Governing Body, Secretary-General Takenaka expressed sincere appreciation to the Government of the Islamic Republic of Iran for hosting the meeting in Tehran and commented on the beauty of the Alborz Mountains ringing the capital. He continued by pointing out that the 2008 GBM was historic, since for the first time in a half-century, the Governing Body was to decide the amount of total membership contributions for 2009 and 2010 in a clear departure from past practice, when individual contributions were decided automatically based on GNI and the total was the sum of all individual contributions. Now membership contributions are linked directly to program contents and direction. The transition to the new system would not be smooth without the support of all member governments, Takenaka acknowledged, while expressing the hope that a decision on the amount of total membership contributions would be made by the GBM so that 2009 project preparations could start immediately thereafter.

The Secretary-General also hoped that the GBM would support an increase in total membership contributions, pointing out that they had been frozen since 2005, and that sharp rises in oil prices had triggered increases in airfares. In addition, the rapid weakening of the US dollar against the Japanese yen adversely affects the APO, since Secretariat personnel expenses are estimated in yen and then converted into dollars using an exchange rate determined for budgetary purposes. For example, the 2009 calculation rate was based on the exchange rate of one US dollar to 110 yen, although the current rate has fallen far below that. An increase in the amount of personnel costs in US dollars would push up overall APO expenses substantially, he explained.

The 50th GBM was also important because 2008 was the target year to restore a balance between administrative and project costs, as directed by the 47th GBM in 2005. That GBM also designated 2008 as the final year for a progress report on the Secretariat Reform Plan. The Secretary-General recounted how the reform had concentrated on



Secretary-General Shigeo Takenaka (file photo)

restructuring, personnel policy, and financial discipline and management. During 2007, major progress in personnel policy was made with the performance appraisal rules based on management by objective. The system links salary adjustments with work performance, rewarding those with good or outstanding performance, instead of the previous automatic one-step increments and promotions to the next grade. "The introduction of the system contributed greatly to the work culture of the Secretariat by improving communication among staff members and by motivating them to contribute more to the organization," commented Takenaka.

Efforts in restructuring and financial discipline and management had produced positive results in many areas, but nowhere were they more evident than in restoring the balance between administrative and project costs, Secretary-General Takenaka stated, citing the imbalance between the two that had rightly been a major cause of concern at previous GBMs starting in 2003. Since then, however, declines were witnessed in administrative relative to project costs in all subsequent years, including in 2007. He attributed this partly to Secretariat restructuring, staff rejuvenation, and more disciplined financial management of projects, with the average disbursement rate per project also improving markedly in the years through 2007. "Although the US dollar is likely to remain weak against the yen for some time, as long as we maintain the current reform momentum, I am confident that we

will be able to maintain a proper balance between administrative and project costs through the end of this year as well," predicted Takenaka.

Following up on projects on new topics, utilizing new methods, and with new outreach contents, Secretary-General Takenaka said that about 10 projects on new topics like the aging of society and mergers and acquisitions had been held in 2007, with 15 more planned for 2008 and another 20 for 2009. Four e-learning projects were offered last year, attracting over 900 participants who recommended their continuation. Another novel step in 2007 was follow-up face-to-face projects on the same topic for outstanding participants in e-learning courses. "Since all the participants had enrolled previously in the same e-learning courses, it was possible for us to organize the projects more efficiently, producing better results," explained Takenaka; the Secretariat plans to increase e-learning projects in 2008 to six.

As projects with new outreach, last year the APO deputed one observational study mission each to Australia, Switzerland, and Canada with a total of 55 participants. Based on their evaluations, the number of such missions will increase to five, covering advanced manufacturing technologies and safe, green supply chain management in the new destinations of Germany and the Netherlands.

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Activities in familiar areas were not neglected. The 4th EPIF, organized with the Vietnam Productivity Centre and Vietnamese government, attracted 92 exhibitors and record-breaking attendance of more than 98,000. Extensive media coverage spread the

message of Green Productivity throughout Vietnam. The EPIF also reached out to numerous private-sector businesses and enhanced APO visibility. In 2009, the EPIF will be held in March in the Philippines with the close cooperation of the Development Academy of the Philippines, the country's government, and its private sector.

Other projects on Green Productivity, the development of NPOs, and integrated community development were undertaken in 2007. Meetings under DON Strategy brought together 15 NPOs from two clusters of development and produced in-depth analyses of their institutional development priorities. The Secretary-General remarked that, "I am confident that this year we will be able to make more concrete contributions to the institutional development of NPOs." All other planned projects including those related to knowledge management, strengthening of SMEs, IT and innovation, and food safety will be implemented and he was "happy to report that Category B projects outnumbered those in Category A in 2007."

Touching on the APO African Program, Takenaka noted that a three-week

advanced course for the development of productivity specialists would commence at the end of April in South Africa with experts from APO members and financial assistance from Japan. He added that an APO delegation would attend the 4th TICAD meeting in Yokohama, where economic growth, human security, and the environment in Africa will be addressed.

After assuring the GBM that he would give full details on the 2009 Program and an update on research results at the 2008 WSM in Cambodia, the Secretary-General concluded his statement: "Our mission of creating a better tomorrow through productivity improvement today would not be possible without the full cooperation and determination of member countries to advance the productivity movement in the changing environment. The APO must constantly investigate new topics, adopt new modalities, and establish new outreach programs, the results of which can be incorporated when appropriate into project planning and design to benefit member countries.... With your fullest support, the APO can be relentless in the pursuit of higher productivity, which is fundamental to economic progress, prosperity, and the well-being of the people in the region." 