

Annual report of the Secretary-General

A key item in the agenda of the APO Governing Body Meeting (GBM) is the presentation of the annual report by the Secretary-General. It usually provides an overview of the work done in the past year and a preview of future activities that are on the drawing board. This year's annual report was also Mr. Tajima's swan song as it was his last attendance at a GBM before completing his second and final term as APO Secretary-General in September this year.

Secretary-General Tajima commenced his report by welcoming the delegation from Cambodia, which has joined the APO. He expressed the hope that Cambodia would launch a national productivity movement soon as other member countries were ready to share with it their accumulated experiences. Mr. Tajima then said that the APO in 2003 had continued to make significant contributions to the rapid socioeconomic development of the Asia and Pacific region. He added that in order to cope with the speed and dynamism of globalization, the APO had laid out a three-pillared vision—strengthening of competitiveness, harmonization of productivity increases with environmental protection, and maintenance of social fairness—to set a clear direction for the productivity movement. This vision was translated into action programs under the five thrust areas of knowledge management (KM), strengthening of small and medium enterprises (SMEs), Green Productivity (GP), integrated community development (ICD), and development of NPOs.

Mr. Tajima said that business corporations in member countries were adopting KM as a strategy to achieve higher productivity and competitiveness. NPOs too are incorporating it as one of their core competencies. Mr. Tajima pointed out that future challenges in KM include the expansion of its applications to SMEs and community-based industries, particularly in a non-IT environment, and measuring its impact on business performance.

The APO continues to be actively involved in improving the productivity and competitiveness of SMEs, Mr. Tajima said. In this regard, a three-pronged approach was adopted: introducing new ideas, techniques, and strategies for more robust operations; facilitating the formation of strategic alliances and networking; and promoting demonstration effects. Demonstration projects on strengthening SMEs' competitiveness were suc-

cessfully implemented in Iran and Nepal in 2003. The APO Demonstration Company Program is increasingly accepted by NPOs as it provides powerful and inspiring productivity improvement showcases.



Secretary-General Tajima

GP activities in 2003 were focused on four priority areas: greening supply chains; resource and waste management; APO Type II Partnership Initiatives; and specialized areas such as occupational and environmental health and safety and ISO14001. Mr. Tajima highlighted the establishment of the GP Advisory Committee in Japan to undertake the following activities: 1) compiling an eco-products database; 2) organizing an eco-products exhibition in Malaysia in September 2004; 3) undertaking study missions on eco-business; and 4) implementing demonstration projects on greening supply chains. Mr. Tajima stressed the importance of the direct involvement of the business sector in GP to ensure its successful promotion and implementation. He also underlined the need for more collaboration with other international organizations, citing the examples of assistance from the UN Environment Programme in energy efficiency and United Nations University in GP projects in schools and universities. Mr. Tajima said that the declaration of 2004 as the APO Year of GP was significant as GP would remain a leading movement in the region for future generations.

On the APO Agriculture Program, Mr. Tajima reported that activities in 2003 addressed three

major concerns: improving the competitiveness of agriculture; promoting the efficient and sustainable utilization of agricultural resources; and strengthening local capacities for community development to alleviate rural poverty. ICD as a thrust area has been playing a role in enhancing the quality of life of local communities. Mr. Tajima said that the successful implementation of GP-ICD demonstration projects in Vietnam has encouraged other member countries to undertake similar projects. He also announced that the Japanese Ministry of Agriculture, Forestry and Fisheries would contribute a special fund to the APO Agriculture Program in 2004, primarily to provide assistance to the less developed member countries.

The strengthening of NPOs will remain a primary, cardinal mission of the APO, said Mr. Tajima. In 2003, both multi-country and in-country projects were organized. The in-country projects are designed to meet the specific needs of individual NPOs to reinforce their institutional capacity and capability. Facilitating a mentoring system between NPOs and expanding their alliances and networking were the focal points of these projects in 2003. According to the Secretary-General, the key challenge facing the NPOs is securing support for their work from among all stakeholders in society. He also made reference to the newly introduced APO Fellowship Program for facilitating the institutional development of the NPOs.

On IT application in the Secretariat, the Secretary-General commented that it will remain an important tool for the continual improvement of its operational efficiency and cost-effectiveness. APO IT platforms—Web site, intranet, and APOnet—are now in full operation. In 2003 a new platform, the APO e-Forum, was added to enable participants in APO projects to network among themselves for future sharing of information and experience. Mr. Tajima also reported that a number of Internet-based projects were organized last year, adding that the Secretariat is determined to harness IT to improve its operations, facilitate the sharing of information among staff members as well as between NPOs and the Secretariat, and organize e-learning projects.

The Secretary-General next mentioned that the collection and analysis of the productivity data of member countries will remain a core competence of the APO. He said that every endeavor was being

made to improve the *APO Asia-Pacific Productivity Data and Analysis* publication so that it remains a valuable resource for policymakers and business leaders in their strategic thinking, policy formulation, and socioeconomic planning.

Secretary-General Tajima then dealt with a number of issues that the Governing Body had decided on in its meeting in Fiji in 2003. One was to have more Category B and C activities. Mr. Tajima reported that there would be a significant shift to more B and C projects in 2004 as compared with 2003. This shift would be further enhanced in the 2005 and 2006 programs. Another issue was the institution of administrative and operational cost-saving measures by the Secretariat. Mr. Tajima reported that substantial savings were made through purchasing discount air tickets, using the APOnet platform for communication to reduce telephone and postage costs, introducing e-learning programs, publishing e-books instead of hard copies, and reducing office rental, among others. Other issues mentioned by the Secretary-General related to documents submitted to the Governing Body for consideration and decision: staff salary review; local implementation costs of projects; designating 2004 as the APO Year of Green Productivity; and the APO Organizational Excellence Award.

In concluding his report, and because it was his final attendance at the GBM, Secretary-General Tajima recapitulated the reforms and changes that he had introduced during his tenure in response to the rapidly changing global situation and to cope with new challenges in serving the needs of member countries. Among those he highlighted were: improvement in the accountability, openness, and transparency of the Secretariat; publication of the *APO Asia-Pacific Productivity Data and Analysis* to fulfill the APO's responsibility as the leading productivity organization in the region; introduction of IT platforms like the Web site, intranet, APOnet, and Web-based projects that have contributed immensely to the speed and cost-effectiveness of APO activities; formulation of the three-pillared vision to provide clear direction for APO activities; updating of the thrust areas to meet the changing needs of member countries and to utilize limited resources in the most efficient and effective way; revitalization of NPOs in member countries, such as Indonesia, Pakistan, and Sri Lanka, so that they could play a leading role in their respective national productivity movements; and facilitating in-depth collaboration with private-sector and other international organizations. 