

**55th Workshop Meeting of Heads of NPOs**  
21–23 October 2014, Colombo, Sri Lanka

**Summary Record of Proceedings **DRAFT** Day 1 & Day 2**

**Agenda Item 1 Welcome Remarks by the APO Director for Sri Lanka**

APO Director for Sri Lanka Upali Marasinghe extended a warm welcome to all delegates and expressed his sincere gratitude to Hon. Senior Minister Dr. Sarath Amunugama, the Senior Minister of International Monetary Cooperation for providing the inaugural address. He also extended his gratitude to Hon. Minister Mr. Bashir Segudawood, Minister of Productivity Promotion for giving the opening remarks and to APO Secretary-General Mari Amano.

APO Director Marashinghe introduced the brief history of productivity movement in the country, covering the transfer of National Productivity Secretariat (NPS) from Ministry of Industries to Ministry of Labour as well as formulation of a National Productivity Policy in 2002, and attaching over 700 productivity officers to serve in divisional levels which made a significant contribution to spread out productivity movement across the nation. He also introduced key APO programs which made significant contribution accelerating the productivity enhancement such as APO in-country program in 2007, extending his gratitude for the long-term cooperation between the country and APO.

APO Director Marashinghe once again expressed his gratitude for all the delegates and wished them a pleasant stay in Sri Lanka.

**Agenda Item 2 Opening Remarks by Hon. Basheer Segudawood, Minister of Productivity Promotion**

Hon. Minister Basheer Segudawood, Minister for Productivity Promotion welcomed all delegates to Sri Lanka and said that in the budget speech of 2011, His Excellency the President of Sri Lanka envisaged 5-6% productivity growth rate to achieve the goal of taking Sri Lanka into the future as the ‘Wonder of Asia’. He said that from 2002 to 2010, the National Productivity Secretariat functioned under the Ministry of Labor and Labor Relations. Once the Government recognized the importance of Productivity Improvements in the country to broaden the social and economic growth, the decision was taken to form a separate Ministry at the end of 2010. The Ministry of Productivity Promotion undertook multiple activities to enhance the productivity of the public sector, private sector as well as schools and community sectors. He appreciated the role of micro and SMEs in creating employment opportunities especially for rural population. Success of the micro and SME sector in Sri Lanka was reflected by the blooming number of new industries spread across the country. He stressed that investment in human resources development to enhance productivity by improving skills, knowledge and creativity was necessary to face the challenges of the current and future development goals. He said Sri Lanka was moving from a factor driven economy towards an efficiency-cum-innovation driven economy, which would yield higher per capita income for the country.

Minister Segudawood said that after 30 years of an expensive war against terrorism, Sri Lanka was booming with economic and social development activities. Roads, ports, airports, industrial projects, housing and irrigation projects as well as highways were

good examples of Sri Lanka's achievements since the end of the war. He hoped that all delegates would have the opportunity to travel within Colombo and see the economic, social, and environmental progress made so far. Concluding his remarks, he wished all success in deliberations and a very pleasant stay in Sri Lanka and declared the meeting open.

**Agenda Item 3 Inaugural Address by Hon. Dr. Sarath Amunugama, Senior Minister for International Monetary Cooperation, and Deputy Minister of Finance and Planning**

Hon. Dr. Sarath Amunugama, Senior Minister for International Monetary Cooperation and Deputy Minister of Finance and Planning expressed pleasure while welcoming all delegates to the 55th Workshop Meeting of NPOs. He said that Sri Lanka was a peaceful country with sound economic growth after experiencing 30 years of terrorism. The Mahinda Chinthanaya had clearly indicated the importance of productivity enhancement in major sectors such as agriculture, industries and services. He said that Sri Lanka targeted 7.5 to 8% GDP growth and asked delegates to experience benefits of economic growth while they were in Sri Lanka. He emphasized that core of the strategy was having comparative advantage and the decisive factor was enhancing productivity. This would impact export promotion and industrial development boosting economic growth of the country. He stated that the Government of Sri Lanka had taken important policy decisions to enhance the productivity of technical and service sectors in Sri Lanka and further believed in a full and sustainable future. Modernization of the education sector was in progress with establishment of Colleges of Technology as one such step in this direction.

Minister Amunugama said that Sri Lanka had achieved self-sufficiency in rice production, basic cereals, and maize, creating success stories. Sri Lanka aimed to do likewise in milk production. Development of rural areas and food safety were the key pillars of the economic strategy. He said that there was a large improvement in the use of technology in the world and even in Sri Lanka of late. Sri Lanka had made valuable investments in technology field. He emphasized balance among economic, political and social aspects of technology-led economic growth leading to the sustainable development including and benefiting whole population. Use of technology would help Sri Lanka leap frog in economic growth and therefore Sri Lanka should harness knowledge of technology from other fast growing economies. He once again emphasized development of comparative advantage through use of technology that will lead to sustainable productivity improvements.

On the environment side, Minister Amunugama endorsed the APO's initiatives and said that in past Sri Lanka did not pay enough attention but after natural disasters like Tsunami and droughts due to global warming which adversely impacted economic growth of the country including agriculture and poverty levels. Therefore Sri Lanka was forced to look into climate change issues. He highlighted that neighboring country Maldives also faced existential threats due to climate change. He also supported APO's thrust on SMEs development, which was of much interest to Sri Lanka, as SME development ensures social equity by increasing employment in rural areas. He also emphasized shift from individual to family based income generation through SMEs enhancing capacity to earn in overall.

In concluding his remarks, Minister Amunugama once again welcomed all to Sri Lanka which had become a peaceful country and hoed for their enjoyable stay.

#### **Agenda Item 4 Introduction of NPO and Agriculture**

NPO and Agriculture Delegates were introduced.

#### **Agenda Item 5 Election of Chair and Vice Chair**

The following were unanimously elected.

Chair                    Mr. Upali Marasinghe  
                              NPO Delegate for Sri Lanka

Proposed by NPO Delegate for Pakistan Sher Ayub Khan and seconded by NPO Delegate for Fiji Kamlesh Prakash.

Vice Chair            Ms. Leung Wai Ling  
                              NPO Delegate for Singapore

Proposed by NPO Delegate for Indonesia Estiarty Haryani and seconded by Malaysia Kamaruddin Mohamad.

#### **Agenda Item 6 Adoption of Agenda (Doc. No. 1 & Doc. No. 1-A)**

The Chair introduced Doc. No. 1: Provisional Agenda-Revision 1 and Doc. No 1-A: Annotated Provisional Agenda, which were unanimously adopted.

#### **Agenda Item 7 Statement by the APO Secretary-General**

Secretary-General Mari Amano expressed appreciation to the Government of Sri Lanka for hosting the Workshop Meeting of Heads of National Productivity Organizations (WSM).

Secretary-General Amano mentioned the three primary objectives of the WSM: reconfirmation of the lineup of projects for the 2015–2016 biennium. Second, delegates were to share their countries' objectives and plans in key economic sectors that would guide the APO in the development of programs for 2017 and 2018. Third, delegates would discuss the draft APO 2020 road map before endorsing it and proceeding to the next steps leading to its eventual approval by the Governing Body (GB).

The preliminary 2015–2016 Program Plan was approved by the GBM in Hanoi earlier this year. The GBM approved a 5% increase in the budget without increasing total membership contributions and stipulated that the 5% increase in expenditure was to be met through the use of unappropriated surpluses and other sources of income.

The increase in budget would lead to an increase in the number of projects that may be implemented in 2015 and 2016. The revised lineups for 2015 and 2016 featured an increase of 10 and 12 more projects, respectively.

WSM delegates were expected to reconfirm their hosting of multicountry projects and propose modifications to projects, if necessary. Each member should ideally host at least one multicountry project in the spirit of mutual cooperation, which enhances the relevancy and visibility of APO activities.

After the 2015–2016 Program Plan was endorsed by this WSM, the Secretariat would modify it after adjusting the US dollar-to-yen exchange rate for approval of the GB next year.

Secretary-General Amano mentioned some interesting projects already implemented this year. The Eco-products International Fair (EPIF) was successfully held in Taipei. It was widely covered in media and garnered high-level government support. More than 200 participants from 15 member countries attended and adopted the Taipei Outcome Document that had since been accepted by the UN as part of the inputs into the new UN sustainable development goals.

Secretary-General Amano also informed that the EPIF would not take place in 2015 due to financial constraints of an interested member. The Secretariat would focus on the following year's EPIF and seek hosting interest from members.

Secretary-General Amano reported on the official launch of a new three-year cooperative agreement with Cornell University, attended by 19 participants. The APO was exploring other collaborative initiatives with the university in agriculture sector.

With the continued support and generosity of the Japanese government, the APO was able to implement four highly visible projects covering diverse topics.

Individual-country programs had seen higher participation rates from member countries with the total number of projects rising to 78 to date compared with 56 in the same period last year. Secretary-General Amano expressed gratitude to some of the NPO Heads for supporting programs such as I-OSM and BCBN by agreeing to host more such projects.

This year alone, APO's activities had already been covered more than 760 times in media across Asia and in nonmember countries, compared to the 270 times in the whole of 2013, thanks to the efforts of members to create newsworthy events. The APO website was re-launched with a more modern and user friendly format in preparation of creating an APO Portal which would serve as the focal point for APO stakeholders.

Secretary-General Amano informed that the APO had released the first edition of APO Mobile Productivity Database App. A press conference was held on 17 October 2014 in Tokyo to launch the 2014 edition of the *APO Productivity Databook* and the app for smartphone devices that gives easy access to comprehensive economic and productivity data and information.

In summary, during the first three quarters of 2014, the APO had undertaken 118 projects; exceeding the 139 in 2013, with the final number depending largely on the utilization rate of individual-country programs. These numbers could rise as the Secretariat was committed to implementing all 2014 projects within this year barring unforeseen circumstances as well as to undertake five additional projects approved by the GB.

For 2015–2016, the number of projects that would be implemented will increase further due to the 5% increase in the budget. Secretary-General Amano asked how the APO, which comprised member governments, NPOs, and the Secretariat, significantly raise the visibility and impact of our activities. What would it take to bridge the gap between the high

expectations of member countries and the actual achievements of the APO constrained by its current budget.

Secretary-General Amano shared some learning points from his stint at the OECD. Both were international organization with similar missions to be achieved through mutual cooperation, and both were established in 1961.

However, in terms of size, the OECD had 34 member countries. Eight of the world's top 10 economies were OECD members compared to two for APO. In terms of annual budget and staff strength, the OECD dwarfed the APO Secretariat's monumentally. Secretary-General Amano suggested adapting some of the best practices, especially in policy recommendations to governments to help achieve a higher degree of international recognition.

Secretary-General Amano hoped the delegates would be able to contribute during the breakout sessions to discuss the draft road map that would help shape the future of APO programs. That can only happen if there was a strategic shift in the way the APO carried out its mission with the unequivocal support of all member.

The success of APO projects depended on two main aspects: the ability of Secretariat staff and host country to pull together resources and create a high-quality program led by suitable experts; and the quality of participants nominated by member countries. Without quality participants, it would be impossible for APO projects to achieve the impact that member countries wish for.

Member could cooperate by nominating only participants who met the specified criteria. The Secretariat would start monitoring the participants and providing feedback to members.

The Secretariat would be presenting a proposal to enhance the follow-up impact from multicountry projects. If the WSM endorsed the proposal, this new individual-country program would effectively allow members to conduct national programs directly linked with previous multicountry projects. This was a practical solution in response to feedback from member countries.

At the last GBM held in Hanoi, Secretary-General Amano briefly outlined the idea of strengthening the working relationship between the Secretariat and NPOs through a one-year staff attachment scheme at the Secretariat. This attachment scheme would deepen the APO's understanding of the development needs of individual countries and NPOs, and pave the way for better-designed, more customized programs. The Secretariat was ready to pilot-test this scheme from 2015 with two NPO staff provided NPOs found it useful and relevant.

The Secretariat was now laying the foundations for increasing the scope and scale of e-learning programs including translating the course materials into local languages. Secretary-General Amano invited suggestions on possible subjects to be covered in e-learning courses during the breakout sessions.

Secretary-General Amano reported that he wrote to the GB to seek its understanding of his efforts to acquire additional office space. The main reason was the need to expand the size of the conference room to accommodate larger-scale projects and allow the increase of office seating capacity with possibly videoconference facilities.

The Secretariat had been in discussions with the Ministry of Economy, Trade and Industry (METI) of the Government of Japan with the objective of securing special cash grants. Secretary-General Amano informed the WSM that METI had approved an annual cash grant of about US\$600,000 for 2015 and 2016. This was on top of the special cash grants provided by the Ministry of Foreign Affairs and Ministry of Agriculture, Forestry and Fisheries. Secretary-General Amano thanked the Government of Japan and the Government of the Republic of China for their cash grants.

Finally, Secretary-General requested delegates to use the WSM platform to build networks and friendships. He stressed that the strategic objectives of the APO cannot be achieved without the mutual cooperation and strong bonds between everyone involved in the organization. Secretary-General hoped that this WSM would help to cement the already strong relationships that the NPOs enjoyed.

## **Agenda Item 8 Adoption of Evaluation of 2013 Projects and Presentation on Impact Evaluation of 2012/2013 Projects (Doc. No. 2-A and 2-B)**

### **Evaluation of 2013 Projects**

The Secretariat presented the evaluation of 2013 projects. The APO implemented 47 multi-country projects covering 1,020 participants and five e-learning courses covering 1,174 participants in 2013. The high points were good resource persons; knowledgeable, experienced experts with good materials and case studies; good methodologies; good mix of presentation, group activities, site visits and action planning; good program contents; and relevant topics with comprehensive coverages. The major low points were tight schedule; tight time allocation for site visits; and program too compressed with too many topics. With regard to e-learning courses, high points were direct interactive opportunities with resource persons with rich knowledge and experience; interaction among participants from various countries; well-articulated presentations; good program management; and mix of eLearning and offline sessions within an each country (including site-visits). The low points were technical issues such as poor connection and audio and video interruptions during sessions and too short time for Q&A's and/or discussions. The major recommendations made were 1) Projects need to allow some leeway of time; 2) The Secretariat and NPOs to consider this factor at the program design 3) Continue to improve the technical quality of e-learning programs and repeat well received programs; 4) More NPOs to host I-OSMs; 5) NPOs to submit reports for I-OSMs and utilize TES scheme as much as possible.

### **Impact Evaluation of APO Projects 2012–2013**

External Evaluator Mohan Dhamotharan, an independent consultant based in Germany, presented by video conference on Document No. 2-B: Impact Evaluation of APO Projects 2012 and 2013. Mr. Dhamotharan reported that the fourth Impact Evaluation Study (IES) was built on the insights gained from previous evaluation studies, in approach and methodology, and developed them further with an increased focus on results by making use of internationally applied OECD's evaluation framework. He added that the main focus of the IES was to assess the achievements of APO projects in terms of intended outputs, outcomes, and impacts. The study also focused on collecting feedback on any contributions toward the achievement of those results, and on what could be done to better achieve the intended results in future.

Mr. Dhamotharan pointed out that to reduce the considerable efforts involved in collecting and processing huge amounts of quantitative data, SurveyMonkey, an online tool for collecting and analyzing quantitative data. Around 1,000 responses were received for the survey questionnaire, an overwhelming response given the narrow timeframe. He added that in addition to the online survey questionnaire, some semi-structured interviews were conducted on-site through a short study mission to Cambodia and Sri Lanka, as well as through Skype or telephone. Subsequently, the interview materials were cross-validated with the questionnaire data, further improving the quality of the overall assessment.

Mr. Dhamotharan mentioned that key improvement areas were: a) Systematic focus on the results of APO projects by defining a results chain for seven types of projects, viz., training courses (TRC), workshops (WSP), observational study missions (OSM), conference/forum/seminar/study meetings (CON), bilateral cooperation between NPOs (BCBN), institutional strengthening of NPOs (DON), and productivity databook (DB); b) use of an evaluation framework that is widely used for highly valued evaluating projects and programs, i.e., the Organization for Economic Cooperation and Development/Development Assistance Committee (OECD-DAC) framework; and c) use of SurveyMonkey, an online tool for surveying, as a medium for collecting and analyzing the data.

Mr. Dhamotharan reported that the overall assessment of APO projects by the respondents was very positive. The total average rating was around 80% that places APO at the top of programs implemented in the area of capacity development, particularly in the context of bilateral and multi-lateral cooperation. The respondents rated DB and OSM as comparatively high, followed by CON, BCBN, WSP, DON, and TRC, respectively.

Finally, Mr. Dhamotharan presented the main recommendations of the study. Those included: 1) APO projects should make more use of field visits, case studies, and practical examples; 2) make efforts to create opportunities for more networking using modern technologies; 3) there was a need for continuous training, assessment, monitoring, evaluation, and application of the findings for further improvement; 4) closer communication among stakeholders of the APO-NPO system, as well as cooperation with other national and international agencies; 5) follow-up activities were needed to anchor the learnings and insights; 6) careful selection of relevant topics, participants, and resource persons was critical to further enhance the quality of outcomes; and 7) training methodologies needed to employ more learner-centered approaches.

Chair thanked the Secretariat and Mr. Dhamotharan, and invited questions from the floor.

Agriculture Delegate for Thailand Darunee Edwards expressed her agreement to the IES recommendations, in particular, those regarding the follow-up activities, and continuous training, assessment, monitoring, evaluation, and application of the findings for further improvement, but asked how that could all be accomplished. Mr. Dhamotharan responded that it would be challenging to collect and process quantitative data required for a regular assessment, but online tools for collecting and analyzing data like SurveyMonkey could help the project assessment on a regular basis because such a tool could process data within hours after receiving responses.

NPO Delegate for Fiji Kamlesh Prakash thanked the Secretariat for conducting IES and appreciated the overall high rate of satisfaction of the participants with the APO projects. He also appreciated the use of OECD-CAD methodology for conducting IES. Mr. Prakash

suggested that: a) APO should consider including more projects on policy analysis and monitoring, b) the study should have included TES and Demonstration as these projects have direct impact in the recipient member countries; and c) the study should consider undertaking impact assessment of past APO projects implemented over the past one decade.

NPO Delegate Harbhajan Singh for India appreciated the recommendations of the IES, and emphasized that those recommendations should be followed up seriously. He suggested that the current modality of APO projects should be revisited because demand of APO projects was on the decline. He mentioned that although there was an APO alumni, there was little dissemination of the lessons and insights learnt from the APO projects. He added that currently many member countries were hosting 1-2 APO projects per year wherein only a few local participants were allowed to attend. Thus, there was little incentive for a country to host APO projects.

Agriculture Delegate for Pakistan Rabia Jamil found the findings of IES impressive. She inquired whether it was possible to narrow down the findings of the impact evaluation at an individual country level and how inconclusive results could be validated. In response Mr. Dhamotharan stated that segregation and scaling down of data to an individual country level was possible. He added that inconclusive results could be validated through getting more feedback from the respondents through face-to-face interviews, and observing progresses in situations.

With these comments, the meeting agreed to adopt Document No. 2-A Evaluation of 2013 Projects & No. 2-B: Impact Evaluation of 2012/2013 Projects for submission to and approval by the Governing Body.

## **Agenda Item 9 Presentations by the Secretariat**

### **Agenda Item 9-1 Report on the APO Center of Excellence on Green Productivity (Reference Paper 1)**

The Secretariat reported the status of the Center of Excellence on Green Productivity (COE on GP). The report included a brief background on the establishment and achievements of the COE on GP as hosted by the Republic of China through the China Productivity Center (CPC). It explained the four key themes of the COE on GP are resource recycling, green energy, green factories, and agro-agriculture. The following were the achievements of the COE on GP: 1) completion of the Research on Assessment of GP Implementation and Needs of Member Countries; 2) conduct of a Workshop on the Development of Model Projects for Green Productivity; 3) the development of GP Excellence Awards Framework. The framework will be made available to all member countries for possible adoption should they decide to introduce their own national GP related awards. Other achievements of the COE were technical assignment by experts sent to member countries and the establishment of GP Advisory Committee or GPAC in the ROC. It was also reported that a meeting of APO GPAC and COE GPAC in December is being planned with involvements of some member countries that have interest to set up their own GPAC in the future.

The report also provided the selection process for the next COE. NPOs were encouraged to submit a proposal and letter of intent to the Secretariat. All applications received shall be circulated to all NPOs. The Secretariat may convene an expert panel meeting in the event that no proposal received a clear majority support from the NPOs.



## **Agenda Item 9-2 Report of the Strategic Planning Workshop for Liaison Officers (Reference Paper 2)**

The Secretariat reported on the 5<sup>th</sup> Strategic Planning Workshop for APO Liaison Officers (Liaison Officers' Meeting), held in Tokyo, 27–29 August 2014, attended by 19 Liaison Officers (LOs) and two observers from 19 member countries. Two experts of the APO projects on Need Assessment of Member Countries and Strengthening of NPO Assistance Program (SNAP) also attended.

The meeting reviewed the core activities and targets of the APO, the APO Roadmap 2020, and the APO project planning, design and implementation. Two experts leading the two respective need assessment projects made presentations, which showed the key areas to be focused such as potential priority subsectors and areas for capacity building of NPOs.

The discussions on the APO roadmap 2020 highlighted the following: 1) Key issues NPOs were facing; 2) Setting measurable target across the region, something collectively achievable on productivity increase; 3) Sub-sector-focused approaches; 4) Potential guiding principles for APO productivity movement. Key suggestions/ideas of LOs had been incorporated to the draft roadmap for discussion by the 55<sup>th</sup> WSM of Heads of NPO. LOs also discussed improvement for project design and implementation. Overall LO Meeting was successful and provided the necessary inputs for the draft roadmap.

The Chair thanked the Secretariat and invited comments from the floor.

There being no comments, the report was well received.

## **Agenda Item 9-3 Updates on Category-C Projects**

The Secretariat made a presentation on Category C programs. The presentation included the overview of category C programs and the performance of implementation of each programs from 2008 up to end of September 2014. The APO has allocated bigger budget for I-OSM, TES, BCBN, DEMO, DON and COE programs. From 2008 to 2014 I-OSM and BCBN requests has increased and become most popular Individual country programs among the member countries.

Basically BCBN has planned to support and facilitate bilateral cooperation between NPOs to enable mutual learning. From 2014 up to end of September APO has implemented more than 80 BCBN and 54 I-OSM projects for sharing the best practices of member countries.

It was also highlighted that TES program is an opportunity for the NPOs to get expert knowledge on various productivity subject areas. From 2008 to end 2014 it has implemented 325 projects. The objective of the DEMO program is to establish demonstration-cum-productivity model companies/organizations to showcase the processes and results of productivity, quality, environmental, energy efficiency, and food safety improvements in factories, farms, companies, and enterprises in a tangible, practical manner while assisting NPOs to build the capacity to provide consultancy and training services through their complete involvement in such projects. From 2008 to 2014, APO has developed more than 15 Model Company including public and private sector on various subject areas. It has

implemented 26 DON program from 2008 up to end of September to provide productivity and quality practitioners from NPOs and SMEs in APO members with firsthand exposure to the tools and techniques of productivity improvement, thereby building up a critical mass of productivity practitioners. In addition COE (BE) and COE (GP) have made tremendous achievements. It was also highlighted that the number of category C projects has increased by 41% in 2014 with compare 2013.

Finally APO Secretariat requested all the NPO to use these Individual country programs for enhancing their national productivity movements.

There being no comments, the report was well received.

#### **Agenda Item 9-4 Proposal for the Creation of the “National follow-up Program Scheme (NFPS)” (Reference Paper 3)**

The Secretariat presented the proposal for the creation of the National Follow-up Program Scheme (NFPS). The presentation included types and categories of projects, two-tiered Project-based Approach (A-B/C), and lessons, issues, and challenges of current scheme and rationale and proposed implementation scheme of NFP. National programs were important due to catalytic and greater multiplier effects, widespread participation, faster dissemination of knowledge, high visibility of the APO and NPOs, and attendance of key government officials, and leaders. The issues faced were 1) they takes time to implement (more than 6 months) 2) they take time to close account (more than 1 year), and 3) they need advance planning for big national events. The objectives of NFP were 1) create a new program window to support NPOs/ other organizations for national follow-up projects, 2) provide opportunities for more stakeholders to participate in APO-sponsored projects, 3) intensify dissemination of information, knowledge, or best practices on productivity topics, and 4) raise the visibility of the APO, NPOs, and productivity movement. The Secretariat would issue a PN in December, issue a PIP upon approval of a proposal, and coordinate and engage international resource person(s), whereas actions required on part of NPOs were submitting a proposal, committing to providing at least 15% of project cost, and submit completion report and settlement of the cash advance within two months.

The Chair invited comments from the floor. In absence of any comment, the Reference Paper 3 was endorsed by the meeting.

#### **Agenda Item 9-5 Proposed Roadmap to Achieve the APO Vision 2020 Scheme (Reference Paper 4)**

The Secretariat explained the background of the development of the roadmap including the review of APO’s thrusts and strategic directions that served as the foundation in drafting the APO strategic directions which was approved by the GBM in 2011. To complete the road map, the Secretariat raised a key question on how would the APO know that it was on track to achieve its 2020 vision: “to be the leading international organization on productivity enhancement, enabling APO economies to be more productive and competitive by 2020?”

The Secretariat proposed establishing collective goals, setting up of monitoring and reviewing mechanism, and to rejuvenate and reenergize productivity movements within each member country and across the Asia-Pacific region in an attempt to complete the road map. In particular, the proposed targets included regional labor productivity growth rate by 2020 at

3.6 percent and the regional labor productivity as US\$27,000. For the review mechanism, the components included the development and adoption of APO guiding principles which were extracted from time-tested experience of driving national-wide productivity movements; monitor and review national policies on productivity enhancement through peer review and advice; and organize an international forum to share best practices with policy makers. The Secretariat made some proposals in building further the capacity of member countries through: reaching out and training more productivity practitioners through enhanced e-learning programs; identifying priority sectors to address specific sectoral needs by tailoring specific programs for specific sector; and establishing best-practice networks for SMEs.

The Secretariat concluded by emphasizing that the road map should align with existing practice of biennium project planning cycle and the proposed projects may have to be modified by the WSM annually to respond to member countries' changing needs.

NPO Delegate from India Harbhajan Singh referred to page 15 of Reference Paper 4 which stated the next steps would be that the draft road map is to be submitted for discussion and endorsement by the WSM. He said that instead the Reference Paper should be modified with the comments of the WSM and then circulated to NPOs for their approval. Mr. Singh further questioned the basis of selecting the WEF as the benchmark to set the competitiveness index target given that other sources and information about country's competitiveness were available.

NPO Delegate from Singapore Leung Wai Ling asked if the labor productivity growth rate target had to apply for all the member countries in a uniform way. She also commented that while expansion of e-learning courses was good to reach out more productivity practitioners, face-to-face training must also be treated with equal importance given its advantages. The Secretariat replied that the national level target should be vary based on the different development stage as well different priorities, while the APO still could declare a regional-level target which could help drive regional-wide productivity awareness. The Secretariat also agreed the importance of face-to-face activities.

Taking into consideration the comments, the report was endorsed for further discussions and follow-up actions to be recommended by the breakout sessions at the Strategic Planning Sessions of this WSM.

## **Agenda Item 10      Country Presentation by NPOs**

### **Bangladesh**

NPO Delegate Dr. Md. Nazrul Islam stated that The Vision 2021 of Bangladesh and the associated Perspective Plan 2010-2021 had set solid targets for the country's development by the end of 2021. Those targets were envisaged to transform Bangladesh from a low income economy to the first stages of a middle income economy.

Dr. Islam explained that the Perspective Plan targeted annual real GDP growth rate rise to 8.0% by 2015, and further to 10% by 2021. He added that such high GDP growth rates if achieved were expected to significantly improve living standards of the people by drastically reducing unemployment and poverty, substantially increasing output and export growth, and maintaining macroeconomic stability. Projections were that per capita income, growth

domestic investment, gross national savings would rise by 2021 to about US\$2,000, 38% and 39% of GDP, respectively, while poverty would drop to 13.5%.

NPO Delegate remarked that with a view to enhance agricultural production and ensure food security, agriculture sector was targeting to eliminate food shortage, achieve food self-sufficiency in the country and meet nutrition requirements of the nation by 2021. For this purpose, target was to achieve self-sufficiency in rice production, diversify agricultural production, establish farm and marketing cooperatives, and encourage R&D for increasing productivity.

Dr. Islam pointed out that The Vision 2021 emphasized the efficient and effective use of ICT to transform Bangladesh into a resourceful and modern economy. He added that such goal was eloquently described by the Prime Minister as “Digital Bangladesh.” The Government was providing full policy support to realize that target.

In conclusion, Dr. Islam stated that the Perspective Plan 2010-2021 had put in place strategies to promote inclusive growth such that the past trends in poverty reduction would be maintained and even accentuated so that poverty could be reduced to 13.5% by 2021.

## **Cambodia**

NPO Delegate Mr. Heng Eang stated that National Productivity Center of Cambodia (NPCC) had actively pursued activities building its capacity to lead the national productivity promotion in all sectors. He noted that APO’s support had been instrumental; especially the APO special programs supported by Ministry of Agriculture, Forestry and Fisheries of Japan for agriculture productivity enhancement had significant impact as the nation’s economy hugely depended on agriculture sector which provided 56% of total employment.

NPO Delegate Eang stated that the importance of manufacturing and tourism sectors. He also mentioned that the oil deposits found in the national’s territorial waters will likely reshape Cambodia’s economy. There was also the growth of service sector which already took up 38 percent of its total GDP. In relate to Agriculture Sector, he also raised that the government has started its National Strategic Development Plan (NSDP) covering 2014 to 2018 which highlighted the importance of enhancing agriculture productivity to achieve economic rapid growth while accelerating poverty reduction. He concluded that under the NSDP, the NPCC would play an even more important role of productivity promotion.

## **Republic of China**

NPO Delegate Dr. Pao-Cheng Chang explained the ROC’s “Economic Power-Up Plan” as a way of promoting rapid economic recovery which contained five central policies; the promotion of diversity and innovation in industries, promotion of exports to expand overseas markets, strengthening industry personal training, promotion of investment in construction, and enhancement of government performance at all levels. He also noted that among those policy areas, promotion of diversity and innovation in industries had been particularly successful with strong emphasis on manufacturing services, greater use of technology and internationalization in the service sector and distinctiveness in traditional industries. The policy sought to promote industrial optimization through restructuring, with five industries focused including smart living, machine tools, distribution, information services and innovative fashion.

Dr. Chang elaborated on the selected five industries. He explained smart living industry and machine tool smart manufacturing as the models for the future transformation of manufacturing services in the ROC with particular attention to i) customization, ii) derivative service industry, iii) and inter-industry alliances which will generate synergy and stimulate new industry development and employment growth.

Dr. Chang introduced use of technology in the distribution industry and internationalization of the information service industry as the models of the internationalization of the service sector. He explained that in the former industry, the application of technology enabled low temperature distribution business opportunities in response to globalization of the market. He also pointed out that product design and brand marketing were becoming even more important under the globalization trends, which was the case in textile and clothing industries. He added that because functional textile products manufactured in the ROC are highly competitive, design and brand improvement would facilitate the further internationalization of fashion textiles made in the country.

Dr. Chang stated strategic development on the agriculture side which included eco-agriculture such as agricultural bio-technology and organic agriculture, enhancement of resilience vis-à-vis natural disasters with emphasis on technology transfer to private sectors including small farmers. He also mentioned that the ROC would adopt the value-chain approaches to foster integration of human, land, water and man-made resources into a sustainable agricultural system. He concluded that the ROC continuously required innovating the model of traditional development that diverse perspectives are necessary to guide local industries towards a new wave of growth and prosperity.

## **Fiji**

NPO Delegate for Fiji Kamlesh Prakash reported that Fiji elected a democratic government in September 2014 under its new Constitution and there is a new sense of hope and optimism for a prosperous future as a united nation. For the first time, Fijians have a Constitution that demands accountability and transparency from Government officials, which builds strong institutions, and enshrines principles that are at the heart of all the world's great liberal democracies, and Government's services are readily available to more people than ever before. The new Government developed policies for spending commitments in the areas of education, health, water, housing, electricity, infrastructure, government services to correct the fundamentals and grow the economy. Reforms have been made to social welfare to give more help to the needs while creating new opportunities for all. The civil service has been made more professional, accountable, and results-oriented, while the state owned enterprises are being reformed in partnership with the private sector and on the basis of the service excellence framework.

He stressed that Fiji industrial policies are grounded in creating healthy and competitive industries that provide for prosperity and create jobs and create wealth for Fijians. The focus is on helping industries modernize through investment in new ideas, equipment and technology, and to develop policies and initiatives that grow trade, both domestically and internationally. Tourism is a key industry of Fiji and government has put in place new initiatives and policies to bolster on exports, develop new markets in the region and further afield, and make Fiji more internationally competitive. To boost Fiji's economic performance, the Fijian made and Buy Fijian Campaign were promoted. Protecting and modernizing the

sugar industry is a key national priority. Government is fast tracking all pending rural and peri-urban electrification projects and speeding up the expansion of the national grid, and boosting support for solar power. The government is continuing massive investments in upgrading the quality of the nation's infrastructure.

NPO delegate Kamlesh Prakash mentioned that the service sector is the largest sector accounting for over 70% of the GDP. The education sector is seen having a critical importance in producing a competent and competitive workforce who will build the nation. The government believes that health services are vital and should be easily accessible to all Fijians, including those living in rural areas, and so is providing free medicine prescribed by the doctor and currently under price control for all Fijian who earns less than \$20,000 a year. The government has provided land and funding to Fiji National University to establish a world class Tertiary Hospital. The Constitution also guarantees health care to all Fijian citizens, and this provides for upgrading some medical facilities and bringing other facilities closer to the people. Giving Fijians access to affordable housing has always been a top priority of Government. The government is developing more State land for squatter development.

NPO delegate Kamlesh Prakash pointed out that the Prime Minister, Voreqe Bainimarama, launched the Fiji 2020 Agriculture Sector Policy Agenda on 1st August 2014. The agricultural sector plays an important role in Fiji's economy and offers both employment and opportunities for sustaining livelihoods. Fiji has an inclusive development framework for its agriculture economy to move forward by addressing new domestic and global challenges in line with food and nutrition security, climate change, feedstock for renewable energy, the utilization of water resources for aquaculture, agriculture export, and the rehabilitation of its traditional agriculture export industries, the sugarcane and the coconut industries. The Policy complements the National Green Growth Framework and encourages "climate-smart agriculture". The government is reforming land and is funding landowners to be more entrepreneurial and develop land and agribusiness.

The government is continuing massive investments in upgrading infrastructure. Better access to transportation to maritime islands and communities is on the agenda. The new government has re-established a Productivity Ministry to promote productivity in the country. Fiji is so grateful to APO for the support and assistance provided in this area to help raise our productivity and competitiveness.

## **India**

NPO Delegate Harbhajan Singh from India said that the Government of India led by Prime Minister Narendra Modi is pursuing a sustained broad based economic reform agenda which is poised to create job opportunities through public and private investment. Industrial revival was central to sustained revival in overall growth. Economic growth had slowed due to domestic structural and external factors during the last two successive years and Gross Domestic Product (GDP) recorded sub-5 Per cent growth for the first time in 25 years. He said that unlike other countries in the world, India was blessed with a young population; Government of India was consciously framing policies in order to leverage this important demographic dividend towards nation building besides providing the required workforce to the world. Agriculture represented a core part of the Indian economy and provided food and livelihood activities to much of the Indian population. He said that favorable monsoons helped agricultural growth and power generation. Major challenges of agricultural sector

included low productivity levels, soil degradation due to declining fertilizer - use efficiency; market distortions that prevent the creation of a national common market; changing role of government in production and distribution in the current scenario of bumper production and stocks, phased shifting to direct transfer of fertilizer and food subsidies. He said that an efficient supply chain played a very important role in the development of the agricultural sector. The policy implications were wide-reaching, as changes in agriculture could affect food security, trade policy, livelihood activities and water conservation issues, impacting large portions of the population in India.

Mr. Singh said that it would be a daunting task for the new Government to meet the projected Twelfth Plan target of 10 percent growth for the manufacturing sector and 5.7 percent growth for the mining sector in the remaining three years. Demand side constraints, along with a combination of other factors, had resulted in contraction in output of the capital goods and consumer durable sector. He said that rejuvenating small businesses both in the formal and informal sector was crucial for generating employment opportunities for the teeming millions in the coming years. The level and pattern of economic development in India, notably a diversified industrial structure based on a combination of large and small scale industries and growing urban and rural population, had produced pressures on the environment. He said that with the improvement in overall macroeconomic environment, industry was expected to revive and growth can accelerate gradually over the coming years. India's service sector remained resilient even during and immediately after the global financial crisis buckled under the pressure of continued global and domestic slowdown, resulting in sub-normal growth in the last two years. He added that early shoots of revival are visible in 2014-15 with signs of improvement in world GDP growth and trade also reflected in pick up in some key services like IT, aviation, transport logistics, and retail trading. Despite deceleration, services GDP growth at 6.8 percent was above the 4.7 percent overall GDP growths in 2013-14. Some services like software and telecom were big ticket items that gave India a brand image in services. He said that some quick reforms and removal of barriers and obsolete regulations could further help this revival of service sector. He added that the new Government was committed to provide every family a good home with uninterrupted supplies of power by 2022. The government had already launched measures to revamp the railway system of the country. He said that a large number of initiatives had already been taken up by the new Government to promote "Make in India" campaign with a view to transform India as a manufacturing hub of the world besides supplying skilled young workforce to the world.

## **Indonesia**

NPO Delegate Estiarty Haryani reported that Indonesia required acceleration and expansion of economic development to support its transformation into a developed country by 2025. In doing so, poverty will be significantly reduced and higher living standard achieved. Better access to quality education, employment, and medical care would follow suit. A stronger middle class also allowed higher purchasing power and the increased ability to compete in the global arena. Besides acceleration, the government also pushed for the expansion of Indonesia's economic development that was inclusive of every region and community.

The policy directive presented by APO Director for Indonesia at the 56<sup>th</sup> GBM in Hanoi, focused on 8 main areas: agriculture, mining, energy, industrial, marine, tourism, telecommunication, and the development of strategic areas, namely 1. the 6 economic corridor of Sumatra, Java, Kalimantan, Sulawesi, Bali-Nusa Tenggara, and Papua-Maluku; 2. strengthening national connectivity locally and internationally; and 3. strengthening human

resource capacity and national science & technology to support the development of main programs in every economic corridor.

In the agricultural sector, Indonesia focused on maintaining food security in a sustainable manner. Uncertain climate changes, natural disasters, contract farming based systems, and land conversion were obstacles in maintaining food security. Therefore, an increase in agricultural productivity i.e. value-adding agricultural products and rural agro-enterprise development were a must.

The industrial sector was a main contributor to Indonesia's annual GDP growth and had been a top priority on government agenda to accelerate economic growth. The two most important sub-sectors of industry were mining and manufacturing. An improvement in infrastructure was needed to make industries more productive, cost-efficient and environmentally friendly. Indonesia also focused on value-adding processing industries.

Tourism, telecommunication, and healthcare were also being focused by Indonesia government.

### **Islamic Republic of Iran**

NPO Delegate from IR Iran Dr. Roya Tabatabaei Yazdi said Iranian economy, after experiencing eight consecutive quarters of negative growth rate, had overcome the critical situation and restoring its economic strength. By continuation of government economic policies, along with reduction in international sanctions and improvements in macro-economic status, idle capacities in different economic sectors of the country, would be utilized and the economy would be well-oriented in a growth and development direction. Attaining a growth rate of 4.6% at the second quarter of 2014, indicated that the economy was heading in the right direction. Growth in industry and oil sectors were two predominant factors that enabled the country to improve. The inflation rate in August 2014 compared to August 2013, was 14.7% much less than the previous year inflation.

Dr. Yazdi said that the government had to promote and protect small and medium-size enterprises, while development of oil and natural-gas related industries were pursued. Government policies concerning manufacturing sector consist of executive policy implication to providing financial facilities. In industrial sector, to organize advisory groups aiming at study and tackling bottlenecks facing companies, also giving advice to banking system of the country in order to improve the allocation of financial resources to more-efficient enterprises are main objectives. Executive policies regarding promotion and improvement of domestic-demand in industrial sector are also pursued. In 2013, Industries & Mining sector contributed 23.2% in GDP and Oil sector 17%.

Dr. Yazdi said that agriculture and natural resources sectors played a vital role in the country responsible for provision of food-stuff and securing sustainable development. This sector benefited prominent capabilities in regard to resources and production factors, such as fertile lands, diversified climates, renewable resources (forests, pastures, rich genetic endorsements), and contributed 9% in GDP and 18% in employment (2013-2014). Agriculture sector enabled the country to enjoy a fair level of self-sufficiency in main food items, so it played a prominent role in the national economy.



Dr. Yazdi said that reduction in payments by patients for health and treatment and improvement of quality of services in public hospitals were priority areas. With respect to education and training concerns, improvement in the quality in all factors and pillars of the system, strengthening of human resources employed in educational system, welfare of cultural and educational staff and also development of innovation and creativity in this sector were important.

In addition, Dr. Yazdi said that reduction of intensity of fuel consumption in transportation, reduction of environmental pollution, increase in safety measures, pertaining and equalizing infrastructures, fleet and navigation equipment with demands for those facilities, improving productivity in order to gain access to the highest levels through development of management and improvement of transportation facilities are pursued. In 2013, Services sector contributed by 52.8% in GDP.

## **Japan**

NPO Delegate Masayoshi Matsukawa said for Japan it was vital to sustain positive economic momentum brought by Abenomics' "three arrows." Japan was accelerating committed reforms focused on labor market, productivity enhancement in agriculture, and growing industries such as healthcare, etc. He said that Japan would revive the manufacturing industries to win global competition and create highly-valued service sector. He said that Ministry of Economy, Trade and Industry (METI) would initiate the new special cash grant project to the APO to develop professionals on energy efficiency together with NPOs from 2015. He added that in order to expand "Washoku" to the world, Ministry of Agriculture, Forestry and Fishery (MAFF) was aiming to expand Japan's agricultural exports to approx. 10 billion USD by 2020 by implementing; 1) Made FROM Japan: Promotion of Japanese foodstuff in global gastronomy, 2) Made by Japan: Promoting overseas operation of Japanese "Dietary Culture and Food Industry," 3) Made in Japan: Expanding Japan's agricultural exports.

Mr. Matsukawa said that MAFF promoted to expand "6<sup>th</sup> Industry market" to realize profitable agriculture, employment security and income generation by combining Primary (production), Secondary (manufacturing & processing), and Tertiary (distribution & sales) industries comprehensively, from current US\$10 billion to US\$100 billion in 10 years. He said that Japan was promoting Food Value Chain (FVC), which connects a set of values created in full range of activities from agricultural production, manufacturing, processing, distribution to consumption. These activities would promote economic growth in developing countries, enhance export of Japanese food-related infrastructures, and create favorable business environment for tasty Japanese food export. In line with the FVC initiative, MAFF contributed to the APO's special cash grant project "Development of Food Industry Partners in ASEAN least developing countries" to enhance food productivity, quality and safety. He said that the JPC, marking its 60<sup>th</sup> anniversary next year, was advocating public sector productivity, such as Japan Policy Council's proposal on "disappearing municipalities in the age of population decrease", or business excellence in public management. For service sector, which accounted more than 70% of GDP and employment in Japan, he emphasized its significance as per stated in "Japan Revitalizing Strategy."

In concluding, Mr. Matsukawa said that Japan would like to further contribute in the area of productivity and innovation for not only APO member countries' socio-economic development but also that of rest of the world, such as Myanmar and African nations.

## **Republic of Korea**

NPO Delegate Hong Jin said that in 2014, the Korean government established a three-year plan for economic innovation with a '474 vision' representing its policy goals of increasing Korea's economic growth rate to 4 percent, employment to 70 percent and per capita income to USD 40,000 by 2017. It was a comprehensive set of reform policies intended to change its economic structure and raise Korea's economic growth rate by creating innovative economic environment, stimulating service industry and domestic demand, and reforming regulations. He said that adopting a new economic paradigm called a creative economy in the three-year economic innovation plan, the Korean government aimed to foster an innovative economic environment to create significant added value through creative ideas and innovative technology. He said that it was a new growth strategy that would help create ecosystem where science technology and information and communication technology (ICT) converge with various creative assets.

Mr. Jin said that under the new paradigm of creative economy, the Korean government introduced "Strategy for Manufacturing Industry's Innovation 3.0" to support ICT convergence in manufacturing industries based on its own ICT strengths. He added that with the three-year economic innovation plan, Korea was also focusing on the promotion of service sector, the one used to be considered as relatively less productive than manufacturing industry. The plan aimed to concentrate on five promising service sectors including healthcare, education, tourism, financial services, software and content.

In concluding, Mr. Jin said that convergence and innovation originated from creative economic ecosystem were now at the core of the Korean economy's development strategy. Various convergence and innovation between different kinds of industries would play a pivotal role in creating added value and jobs. With the three-year plan for economic innovation in place, Korea was determined to strengthen its economic fundamentals and lay the foundation for its national development.

## **Lao PDR**

NPO Delegate Somdy Inmyxai shared the national economic goals of the government in key industries. Mr. Somdy said that over the last ten years from 2001 to 2010, Lao PDR had been one of the countries in the region that witnessed a strong economic growth with an average growth rate at about seven percent annually. From 2011 to 2013, the annual growth rate recorded around eight percent. In 2013, the agriculture, industrial and service sectors contributed 25 percent, 28 percent and 39 percent, respectively, to the overall growth of the national economy with main drivers of this growth are primarily resource base like hydroelectric power and mineral exploitation. The government is now drafting the 2016-2020 National Economic Development Plan which aims to serve the national interest in terms of employment creation, poverty reduction, narrowing the social gaps, and to pursue a more sustainable economic development. In this plan, the government will attempt to diversify the economy by promoting the development of non-resource sectors while focusing on SME development. In order to materialize such initiatives, the improvement of business environment and more infrastructure development to attract investments remain the key priorities.

## **Malaysia**

To move the country forward, the Malaysia Government had crafted a National Agenda comprising Malaysia, Government Transformation Programme (GTP), National Economy Model (NEM), Economic Transformation Programme (ETP) and 10<sup>th</sup> Malaysia Plan to drive the economy. The National Key Economic Areas (NKEAs) comprised twelve (12) sectors of economic opportunity which would drive Malaysia towards high-income status and global competitiveness. The sectors covered of Oil, Gas & Energy, Electronics & Electrical, Business Services, Tourism, Financial Services, Wholesale & Retail, Healthcare, Palm Oil and Rubber, Education, Communication, Content and Infrastructure, Agriculture and Greater Kuala Lumpur/Klang Valley. The NKEAs also underscored Malaysia's targeted approach to achieving sustainable economic growth.

ETP was also centered on raising Malaysia's competitiveness through the implementation of six Strategic Reform Initiatives (SRIs) and it comprised policies that included competition, standards and liberalizations, public finance reforms, public service delivery, narrowing disparities, government role's in business and human capital development which strengthened the country's commercial environment to ensure Malaysian companies were globally competitive.

The agriculture sector in Malaysia underwent a transformation from a sector that focused on several major industrial commodities to the development of various commodities, especially the agrofood industry and the expansion of agro-based processing activities. The National Agriculture Policies aimed at transformation of the agrofood industry to a more modern and dynamic industry with the objective of food security, making the industry competitive and sustainable and increasing the income level of target groups. The major items to be emphasised in this policy were increase in production and productivity to ensure food security, exploration of high value agriculture, strengthen research and development (R&D), strengthen the supply chain, implementation of sustainable agricultural practices, development of smart human capital, more active private sector participation and excellent government support services. The Government continued to assist the agrofood industry by providing infrastructure, R&D support, funds as well as training and effective extension services. Programs implemented would focus on solving problems faced by the private sector, farmers, livestock breeders and fishermen.

## **Mongolia**

NPO Delegate Amarsaikhan Damdinjav reported the current national development strategy of the country. Besides mining which contributes 21.8% of the GDP and agriculture which accounts for 16% of the GDP, other major industries included trade and tourism. He mentioned that Mongolia continues to be one of the fastest growing economies in Asia. However, FDI and coal exports have been declining sharply in the recent years.

Mr. Damdinjav said that the medium-term prospects of the economy still remained promising given the large natural resources including mineral resources like copper, gold, coal and rare metals, and the agriculture sector in which some processing industries are closely linked such as textile, leather, wool and cashmere and food industries including milk and its related products. Under the national development strategy, the country was expecting some specific results which included: a growth that was no less than 10% and a GDP per capita that was no less than US\$ 5000, development of the tourism sector with up to one million tourists visiting

the country every year, foundation of a knowledge-based industries, and the improvement of livestock breeding technologies. It was envisioned that the achievements of these targets will result in the overall decrease of unemployment and poverty level of the country.

He concluded that there was also a need to enhance governance for appropriate management of minerals revenue and macro-economy and more tightening of economic policies to address the economic imbalances in the long run.

## **Nepal**

NPO Delegate Rajendra Ratna Bajracharya, stated that the National Productivity and Economic Development Centre (NPEDC) has a leading role in promoting productivity in Nepal. However, he pointed that the NPEDC faced budgetary constraints as it has not received any support from the government for its productivity promotion functions. He was hopeful that with the Industrial Enterprise Act 2011 which sought to strengthen NPEDC and the current 13<sup>th</sup> three year National Plan (Fiscal Year 2013/14- 2015/16), the situation could be improved.

Under the 13<sup>th</sup> National Plan, Mr. Bajracharya explained that the government sought to enhance the role of industry sector by creating a more competitive environment for local industries. He said the objectives set out in the Plan included entrepreneurship development, increasing export of industrial products by making them highly competitive, making local and foreign investment in the industrial sector attractive, and increasing the contribution of industry sector for balanced regional development.

For the agriculture sector, he explained that the plan aimed to transform the livelihood oriented agriculture into commercial and competitive system for food and nutrition security and to improve living standard via sustainable agriculture development. The plan also sought to enhance production and productivity of agriculture and livestock products to make these commercially viable and more competitive, develop environment-friendly agricultural technologies, minimize the effects of climate change, and to protect, preserve and use agriculture biodiversity.

NPO Delegate Bajracharya mentioned that tourism, energy and information technology are some of the important service sectors in Nepal. The long term goal for the tourism sector was to make Nepal one of the attractive tourism centers in the world while for the energy sector was to develop enough hydro power to self-sufficiency level and to export electricity by 2027. The development of renewable and other alternative energy would also be pursued to provide 10 percent of total energy consumption and provide 30 percent of the people with electricity access within the next 20 years. Long term strategy for the information technology sector is to form knowledge based society and establish Nepal in the world map of information technology. The plan also aimed to make IT accessible to village people, implement e-governance and good governance to make government services simple and transparent.

He concluded by saying that he was hoping that APO programs would be developed along the priorities of Nepal's 13<sup>th</sup> National Economic Plan. He also stated that APO's e-learning programs were effective for Nepal as it disseminated knowledge to a wide number of people with lower cost and time. He suggested increasing such programs.

## **Pakistan**

NPO Delegate Sher Ayub Khan stated that performance of Pakistan had improved quantitatively and qualitatively as the country succeeded in attaining 4.14% GDP growth in 2013-14, the highest in the past five years. He added that Government of Pakistan was fully committed to develop vibrant and competitive market in order to accelerate and sustain economic growth through productivity, competitiveness, innovation and entrepreneurship. The economy had taken a turnaround on account of the following serious economic agenda for industry, agriculture, and service sectors.

NPO Delegate explained that the industrial sector contributed 20.8% in the GDP of the country. Comprehensive policy measures were planned and implemented to revive the industrial sector that recorded growth at 5.8% as compared to 1.4% percent in the last year, the highest level since 2008-09. Mr. Khan remarked that Government of Pakistan had adopted a pragmatic approach to capitalize on the real potential of the country and thus generate jobs, maximize national output and benefit the poor by putting indigenous material and labor to their best use. Rapid progression of manufacturing sector was considered a vital step towards achieving the goal of economic development. Mr. Khan provided a detailed account of economic goals for the industrial sector to ensure sustainable industrial growth.

NPO Delegate stated that the agriculture sector accounted for 21% of GDP and employed about 44% of labor force. Main objective of agriculture sector in Pakistan was to ensure adequate production and availability of food for the population and provide livelihoods to people directly involved in the sector along with the value adding chain. He added that Pakistan agriculture and food security concerns remained high on the national policy agenda. The growth of agriculture sector was 2.1 percent in 2013-2014. Mr. Khan also shared the economic goals for agriculture sector.

NPO Delegate reported that the share of the services sector had increased from 56.6 percent of GDP in 2008-09 to 58.1 percent in 2013-14. He added that efforts are underway to attain goals of sustainable social and economic development, ensuring water, food, energy and environment securities, without overexploiting forests and ecosystems, to meet the needs of present and future generations. Mr. Khan also presented the economic goals with respect to services sector.

In conclusion, NPO Delegate Sher Ayub Khan appreciated the Delegates for their commitment to promote the productivity movement in Asia-Pacific region.

## **Philippines**

NPO Delegate Antonio Kalaw, Jr. mentioned that the overall development goal of the Philippine Development Plan for 2011-2016 was recently updated which targets a GDP growth from 6.5–7.5 percent in 2014, 7.8 percent in 2015 and 7.5–8.5 percent in 2016. From this growth rate, the employment is expected to increase from 93.3 percent to 93.5 percent and the incidence of poverty is expected to reduce within 16 to 18 percent. He reported that economic growth driven by the industry and service sectors are targeted to grow from 7 in 2014 to 8 percent in 2015 and 9 percent in 2016. The additional employment generation from this projected growth will range between 887,000 to 921,000 per year. Some specific interventions to increase productivity, develop innovation capacity, and improve business

climate are through the reduction of costs associated with administrative procedures in operating a business, labor market rigidities, and overhead and logistic costs.

The government will continue to provide its support on agro-related industry sector (especially in commodities like coconut coffee, cacao, fisheries and forestry), manufacturing sector (particularly in halal food, garments, wood furniture and fixtures), tourism sector, and IT-Business Process Outsourcing sector, construction sector; and logistics management given their potential for employment generation and inclusive growth. The country will continue to expand industry clustering, to strengthen linkages with suppliers and/or markets, to create more technology business incubation centers, to provide shared service facilities on testing laboratories for safety and quality standards, and set up more agro-industrial hubs and central storages. The government will continually pursue green technology to make local industries and MSMEs more competitive and innovative while taking advantage of the benefits from free trade agreements and the ASEAN Integration starting 2015.

Mr. Kalaw shared that the agriculture sector still plays a central role in the employment generation and poverty alleviation. The government will continue to provide interventions to increase the productivity of key commodities like rice, corn, sugarcane, pineapple, coconut, coffee, banana, mango, livestock and poultry and fisheries, among others targeting to increase productivity by 19 percent from 2012 to 2016. Rural infrastructure development, provision of production and technology facilities, public-private partnerships to finance infrastructure, increase forward linkages with the industry and service sectors, among others will be part in increasing resilience capacity and agricultural diversity. He also reported on government bureaucracy reform initiatives under the Philippine Development Plan which underscores the need for effective and efficient governance. He concluded by saying he was looking forward to update socio-economic goals, plans, and strategies in synergy with APO and other NPOs.

## **Singapore**

NPO Delegate Leung Wai Ling shared that Singapore was focusing on growing less labor intensive clusters while pursuing a productivity-led growth strategy with an annual 2-3% productivity growth target. To achieve this, the Singapore government will emphasize the following:

- Leveraging partners with expertise and networks to increase the reach of programs
- Incentivizing investments in automation, training, R&D, etc
- Developing capabilities in new growth industries

To support its economic aspirations, Singapore will be investing more resources in the area of managing human talent and developing human capital for strategic industries. The recently formed Applied Study in Polytechnics and Institute of Technical Education (ASPIRE) was formed to strengthen the linkages and relevance of knowledge learnt to current industry experience and practices. The objective is to transform the vocational institute system to ensure a steady supply of graduates with relevant and specific skills to support key industries.

In conclusion, Ms. Leung expressed her gratitude to APO for its leadership and efforts to drive productivity.

## **Sri Lanka**

Adviser Palitha Weerasinghe from Sri Lanka explained that the Country has strong growth prospects with its immense potential to become an economic hub of the region. It is expected to transform the country into a strategically important economic center of the world and develop the country as Naval, Aviation, Commercial, Energy and Knowledge hubs. Also the government commits to create a poverty free Sri Lanka by 2015, and uplift the living environment of the people. In order to achieve these targets, strong policies, continual flow of investments and improved innovation and productivity enhancement are important.

Since the government was very aware of the need to emphasize productivity improvement, the Ministry of Productivity Promotion has been assigned the mandate to assist all sectors/entities, all communities in the country by providing guidance and facilitation to enhance the level of productivity. Being the implementation arm, the National Productivity Secretariat (NPS) has made greater efforts to improve productivity in the country by implementing programs targeting Schools, Public, Private and Community Sectors through training, consultancy services and promotion. He stressed that there are emerging economic sectors in the Sri Lankan Economy. Small & Medium Enterprises (SME's) are identified as the backbone of the economy and the NPS has given priority to enhance the productivity of SME's. The Industrial sector plays a leading role in the Sri Lankan economy and it is vital to enhance productivity in the industries sector in order to establish Sri Lanka as one of the foremost commercial centers in Asia. Information and communication technology (ICT) is the future driving force of economies and technology and innovation bring positive changes to the economic well-being of the country. Productivity enhancement in all these emerging sectors is essential.

Adviser Palitha Weerasinghe pointed out that in order to achieve development targets as set out above, the NPS should strengthen its capacity for a better service delivery. Hence, the NPS envisages reforms for fast tracking productivity programs including development of Productivity Practitioners Programs, Technical Expert Services to Public Sector Organizations (KM) and development of Demonstration Companies for the Public & Private Sector Organizations.

He mentioned that in agriculture sector, Sri Lanka made several very important achievements during the recent past. Being self-sufficient in our main food and feed, rice and maize, helped to improve the food security of the country. This scenario initiated new economic goals for the food and agriculture sector. including maintaining self-sufficiency of rice and maize, achieving self-sufficiency of pulse crops and field crops, increasing productivity and market oriented production, improving profit margins of small farmers, promoting eco-friendly agriculture and food safety, increasing availability of vegetables throughout the year and adapting & mitigating to climate change.

A very important goal in agriculture is to promote new technologies to improve the productivity and the small farmer profit margins. Therefore, more attention will be paid for land and soil degradation issues and water conservation methodologies. As there is a consumer demand for agro-chemical free products, alternate agricultural cultivation methods will also be promoted. More attention will be paid to minimize the misuse of agro-chemicals.

## **Thailand**

NPO Delegate Dr. Santhi Kanoktanaporn said that Thailand had planned the eleventh National Economic and Social development Plan (2012-2016) focusing on applying Sufficiency Economy Philosophy to achieve a shared vision of “A happy society with equality, fairness and resilience” with involvement of all stakeholders and in line with balanced and sustainable development. Economic opportunity would be created based on key aspects of Sufficiency Economy Philosophy: knowledge, technology, innovation and creativity. He said that in order to strengthen and sustain the Thai economy the government mainly focused the domestic development in areas of upgrading production and services based on technology, innovation and creativity using effective regional links, improving food and energy security, and upgrading eco-friendly production and consumption toward a low-carbon society. He said that the medium to long term plan would consist of restructuring of the economy toward quality and sustainable growth.

Dr. Santhi said that major objectives of industry and service sector development plan were to generate favorable conditions and fair competition; restructure trade and investment to meet the needs of domestic and international markets; add value to potential products in the service sector; transform the industrial sector into knowledge-based and eco-friendly industries; and improve infrastructure and logistic systems. He said that for service sector, the government had announced policy on tourism development focusing on improvement of facilities, cleanliness and safety of tourist attractions as well as providing new experiences for tourists on nature, history, art and culture. Tourist development organizations had been urged to improve safety standard and quality control. He added that in order to keep up with the emerging digital world, the government had planned to establish a foundation for the digital economy and ICT development. SMEs would also be encouraged to adopt high technology and modern management practices for business sustainability. Dr. Santhi said that the government expected the economic impact from improving efficiency and productivity in agricultural sector as well as upgrading farmers’ quality of life. To achieve those objectives, the mitigating farmers’ plights, zoning of crop rotations to prevent over supply and low price, water resource management and the use of alternative and renewable energy were emphasized with the cooperation between vendors and producers as key supply chain management.

In concluding, Dr. Santhi said that Thailand had emphasized the economic growth with the building of sustainability in industry, services and agriculture sectors based on improving productivity, quality of life, natural resource management and balancing stakeholders’ needs and requirements at all levels.

## **Vietnam**

NPO Delegate Nguyen Anh Tuan briefed on Vietnam’s ten years Socio-Economic Development Strategy (SEDS) for 2011 – 2020 which set the strategic directions for Vietnam in responding to major global and regional trends impacting the country’s development. He said that SEDS would shape the country into a modern industrial one by 2020 with socio-political stability. Vietnam aimed for an average increase in GDP rate of 7-8%/year. GDP in 2020 would be equal to 2.2 times of that in 2010 in purchasing power parity with the average GDP per capita reaching \$3,000. He added that for a developed, modern, effective and sustainable agriculture, value adding activities must take place.



Mr. Tuan said that Vietnam was focusing on modernizing and improving the quality and competitiveness to create foundation for an industrial country. This was done by restructuring industrial production in the technical and economic field and increasing the volume of science and technology as well as the proportion of domestic value in products. Priority would be given to the development of products which have competitive advantage and support the development of industry, promotion of the effectiveness of industrial cluster and zones, and development of the construction industry to meet advanced level in the region.

Mr. Tuan stressed to develop service sector to reach a higher growth rate than manufacturing, concentrate on developing service industries that have high density of knowledge and technology, and actively join into global distribution network, quickly develop distribution system for products with competitive advantages both inside and outside the country.

In order to develop the agriculture sector, Mr. Tuan emphasized efficiency and competitiveness by raising the productivity, quality, and value added; raising the income and improve living standards of rural residents, ensuring food security, enhancing natural resource management, reducing greenhouse gas emission and negative impacts on the environment, enhancing disaster preparedness, increasing forest coverage to 42% - 43% by 2015, and 45% by 2020; contributing to the National Green Development Strategy, speeding up the application of advanced science and modern technology in production, processing, maintenance; giving priority to the application of biological technology to create many crop plant varieties, sustainably and effectively exploiting sources of seafood and aquaculture in accordance to the planning with focus on products that have strengths and high value.

#### **Agenda Item 11      Parallel Breakout Sessions for Delegates**

The Secretariat briefed the Delegates on the background and objectives of the parallel breakout sessions. The theme of the breakout sessions centered on the roadmap which was aimed at helping the APO achieve its vision to be the leading international organization on productivity enhancement, enabling APO economies to be more productive and competitive by 2020. The objective was to discuss the roadmap and recommend the next steps.

All Delegates and advisers participated in the three breakout sessions facilitated by Secretariat staff:

Group 1: Industry and Manufacturing Sectors

Group 2: Service and Public Sector

Group 3: Agriculture and Food Sector

The Delegates mainly focused on discussing and providing comments on the following 3 main recommendations contained in the “Proposed Roadmap to Achieve the APO Vision 2020,” Reference Paper 4:

- A. Establish “The APO’s Guiding Principles of Productivity Enhancement” together with a review mechanism.
- B. Set and declare APO targets to drive the productivity movement.
- C. Conduct layered capacity building of both human resources and institutions to ensure sufficient ability to lead the productivity movement.

Following the briefing, three parallel breakout sessions were held. The findings and recommendations of three groups are summarized separately below:

## **Agenda Item 12      Parallel Breakout Sessions for Delegates**

### **Group 1 –Industry and Manufacturing Sector**

NPO Delegate from India Habhajan Singh chaired Group 1. NPO Delegate from Singapore Leung Wai Ling, the group’s rapporteur made the following comments on behalf of the group.

- A. Establish “ The APO Guiding Principles of Productivity Enhancement” together with a review mechanism
  - Members are generally supportive of the recommended APO Guiding Principles but expressed concerns on NPOs issuing such guiding principles to their respective governments
  - Principle 10 : Suggest to add “Green and Sustainable Productivity”
- B. Set and declare APO targets to drive the productivity movement
  - NPOs should influence their Ministry in policy development and target setting
  - Good exercise to help NPOs examine the role that they can play that could contribute and influence the national target and helpful to enable NPOs to set its own targets and articulate the value the NPO brings to the country
  - Though it would be difficult for some NPOs to set year-on-year targets at a country level as NPOs may not have direct control over other factors affecting the national productivity levels, every NPO should strive to do so
- C. Conduct layered capacity building of both human resources and institutions to ensure sufficient ability to lead the productivity movement
  - Remove “layered” and not to limit to NPOs but also to engage partners in productivity improvement process
  - APO should work with the respective governments to include knowledge on productivity in the school curriculum
  - Recommendations should not be limited to e-learning but incorporate a broad range of other types of programs

In addition, the group also recommended that APO resources should be mapped to help NPOs achieve their targets and there should be new initiatives targeting Entrepreneurship and Benchmarking. The group also emphasized the following suggestions for further consideration:

1. Provide forward sensing information to facilitate NPO’s scenario planning;
2. Important to link and align APO’s roadmap with that of NPO;
3. Focus on new initiatives of innovation and areas such as incubators;
4. Provide support to help NPOs establish themselves and strengthen their position;
5. Establish strong political friends;
6. Leverage existing resources residing in NPOs;
7. Facilitate developed NPOs to help less developed NPOs;
8. NPOs should build more alliances and have more partnership with international organizations to provide stronger propositions vis-à-vis other players offering similar services;
9. Each NPO should set their own year-on-year targets on productivity improvement;

10. Support NPOs to build core capabilities that will help them create success stories and provide sustainable outcomes e.g. dispatch experts from advanced NPOs on a longer term basis;
11. Help NPOs to deepen the capabilities of NPO staffs and create stronger alignment between policies of APO and NPOs
12. APO could segment NPOs into a few distinct groups, identify core challenges in enhancing productivity and adopt a focused approach by identifying specific strategies to help address those challenges.
13. Develop future management strategies – tapping on “think tanks” to help strategize activities for the future on a continuous basis

Regarding the next steps, the group made the following for comments:

- Members would like to review the revised document via circulation prior to any endorsement
- Members are open to institute a taskforce to further refine the document

## **Group 2      Service and Public Sectors**

Group 2 was chaired by NPO Delegate for Malaysia Mr. Kamaruddin Mohamad. Agriculture Delegate for Singapore Rajeshpal Singh, the group’s rapporteur reported the group’s recommendations and comments on the APO road map.

The group had productive discussions on the key proposals of the road map, i) Establishing the “APO Guiding Principles” and review mechanism, ii) Set & declare APO targets, and iii) Conduct layered capacity building. The group was largely agreeable to the road map proposal and pointed out that it was important for the APO to bring forward the implementation of the road map to the third quarter in 2015, if the road map was approved by the GBM in April 2015.

The group agreed with the establishment of the APO Guiding Principle and review mechanism with some caveats. It suggested to rephrase item 4 of the Guiding Principles to “NPO member government should enable and empower NPOs to be responsible to drive productivity across all sectors,” to reflect the independence of NPOs. It also suggested that item 5 of the Guiding Principles would have to emphasize the need for financial and other support especially when the productivity movement was at an early phase of development. It pointed out item 6 of the Guiding Principles should refer to the productivity movement within each country, not throughout the APO region. It also proposed to enhance personnel exchanges between APO and NPOs and also among NPOs under item 12 of the Guiding Principles. It suggested adding a principle to identify and recognize productivity champions in an each country and across the region. It also proposed that the Guiding Principle could add an item that NPOs should have continuity to maintain institutional knowledge in relation to liaison with APO. It mentioned that some principles could be implemented quickly and tested in the third quarter in 2015.

The group was also in broad agreement on setting and declaration of the APO target with some caveats. It suggested setting up tiers of target based on the level of development of economies and that the targets could include national measures for priority sectors. It proposed that each member country use only relevant pillars of the Global Competitiveness Index, not necessarily all the 12 pillars.

The group was agreeable to the layered capacity building with some caveats. It suggested applying a tiered approach rather than to rely solely on APO e-learning. It also suggested that the APO accredit not only NPOs but other training providers to leverage development of productivity practitioners as well as to gain more visibility.

The group recommended that the next steps of the development of the APO roadmap would be to present the amended proposal with revised implementation plan to the GBM in 2015 for approval. It suggested forming a working committee to oversee implementation by the third quarter in 2015 and also that the APO provides updates on progress of the roadmap implementation at every GBM and WSM. Lastly, it proposed to institutionalize periodic impact evaluation of NPOs with an external expert and self-evaluation on productivity movement in individual economies, which could be a primary action of the monitoring and review mechanism.

### **Group 3: Agriculture and Food Sector**

Agriculture Delegate Dr. D.B.T. Wijeratne for Sri Lanka chaired the session. The rapporteurs were Mr. Narendra Prasad from Fiji and Mrs. Darunee Edwards from Thailand.

The main observations and recommendations on three aspects of the roadmap were as follows:

#### *A. Establish APOs guiding principles of productivity enhancement with a review mechanism*

##### Comments

1) Too many principles, should limit it to a few core principles. The guiding principles should emanate from the original productivity principles; 2) Some of the principles were not suitable to be included as principle; 3) Most of the proposed principles were very specific and too detailed; 4) Most of the proposed principles were imposing too much obligations on government, though there were other stakeholders who should share in those obligations; 5) The new guiding principles should inculcate values and inspire stakeholders to help in improving the implementation of productivity policies and programs.

##### Recommendations

1) Restate some of the proposed guiding principles to ensure they were consistent with the spirit and the original objectives when APO was established in 1961; 2) Ensure that the new guiding principles embody inculcation of values and inspire stakeholders to help in improving the implementation of productivity policies and programs.

#### *B. APO targets to drive productivity movement*

##### Comments

1) There was no clear link between the goals of NPOs and that of the APO. There should be a statement of goals for this road map, followed by strategies and targets. The targets should be related to core mission of APO which is capacity building. 2) There was no clear link between the vision statement and the targets (e.g. the competitiveness targets).

## Recommendations

1. Include target on productivity improvement of institutions. 2) Develop a composite index on ease of doing business as an indicator of productivity. 3) a target on agriculture productivity should be included, that would give the impetus for government to start collecting data related to productivity.

*C. Conduct layered capacity building of both human resources and institutions to ensure sufficient ability to lead the productivity movement*

## Comments

1. The concept of layered capacity building needed more clarity. The Secretariat should provide explanations.

## Recommendations

1) Capacity building for the agriculture sector should adopt more horizontal approach. 2) APO should develop a database of experts in various fields and should not keep on engaging or sending the same expert to a member country. 3) APO should have a program to develop productivity practitioners in agriculture (i.e., similar to the productivity practitioners for industry and service sectors). 4) APO should develop guidelines for improving productivity in agriculture.

In addition, the Delegates recommended 10 priority subject areas/themes for each of the multicountry face-to-face projects, videoconferencing-based e-learning courses, and self-learning e-courses. They also recommended establishing networks of productivity experts in different areas of agriculture, which were critical for the socioeconomic development of member countries.

The group recommended that the process for approval of the road map should involve consultation with concerned Governments, and the consolidated draft should be submitted to a committee of experts including those from agriculture, for review before submitting to GBM.

## **Agenda Item 13 Strategic Planning Sessions—Review of the APO Program Plan for the 2015–2016 Biennium**

Two concurrent SPS, one for the Industry and Service Sector and another for the agriculture sector, continued to confirm tentative hosting of those listed in Doc. No. 3: APO Program Plan for the 2015–2016 Biennium.

### **Industry and Service Committee**

The Chair of the Industry and Service Committee NPO Delegate Antonio Kalaw, Jr, asked the Secretariat to make a presentation on the actions at the 55th WSM concerning 2015-2016 program plan for the industry and service sectors. The presentation included: a review of APO project line up for 2015-2016 biennium in line with the strategic directions of the APO; a review of prioritization of the APO projects for 2015-2016; confirmation of hosting of 2015 projects, and the tentative confirmation hosting of 2016 projects.

After the presentations, the Chair invited comments from the floor.

NPO Delegate for India Harbhajan Singh said that member countries were not consulted on the topics of 2015 projects which made it difficult to confirm the hosting and said that some topics seemed not that interesting. He mentioned that in hosting a project, inviting a maximum of six local participants was not enough especially for India in ensuring multiplier effect and visibility. He said that the APO projects must be more focused so that it would be much easier to invite local participants. He stated that NPC had problem in inviting participants for APO projects recently because some topics were not really interesting and sometimes broad. He said that the Secretariat must consider not limiting the number of local participants and to make topics more focused to create interest. He shared that India would like to propose the hosting of a Center of Excellence (COE) in green energy as they were very willing to share their strengths to other member countries. He asked the Secretariat for specific projects in the area of innovation which the project list did not provide.

The Chair noted the comments and suggestions of Mr. Singh and said that the Secretariat was taking notes of all proposals made by the delegates with regard to the deliberations of the 2015 projects. The Secretariat replied to the comments of Mr. Singh that the COE was composed of many projects within it such as workshops and trainings.

The Chair then requested the delegates to reconfirm the hosting of projects in 2015 and also specify timing.

There were some projects that were left without any hosting countries. The Chair sought the support of the delegates and Mr. Singh accepted to host the following projects: Workshop on Material Flow Cost Accounting (ISO 14051), Workshop on Energy Management Systems Based on ISO 50001, and Top Management Forum on Effective Labor-Management Relations in the Era of Globalization. After taking into consideration all costs related to hosting of all projects, Mr. Singh asked if the Secretariat could shoulder the local implementation costs since these were burden in hosting an APO project. If such financial support would not be available, India would not be able to host. The Chair then asked the delegates if they were willing to host those projects.

NPO Adviser for the Republic of China Eugene Yu-Ying Lin proposed to increase from four days to five days in hosting the International Conference on Applications of Green Productivity Approach in New and Emerging Industries. He also proposed projects that ROC were willing to host such as Training of Trainers and Consultants in Green Productivity, Workshop on Policy Promotion of GP Best Practices on Priority Needs, Multicountry Observational Study Mission on GP Best Practices to Non-Member Countries, Technical Service Providing COE on GP Experts to member countries, GP Demonstration Company for GP Selected Models, Promotion on GP Awareness through Facts and Trends Survey, Publications on Best Practices, Focus Areas and GP Online Database, and National Workshop and Research on COE GP Excellence Awards and Best Practices. He said that the formal letter of proposal will be sent soon to the Secretariat.

The Chair acknowledged all proposals made by Mr. Lin and asked the Secretariat for comments. The Secretariat answered that the formal reply to the increase on the number of days will be made at a later time as this has implication to the allocated budget. With regard

to the new project proposals, the Secretariat replied that they have to wait first the formal letter of proposal before any actions will be made.

NPO Delegate for IR Iran Roya Tabatabaei asked the Chair if it could consider hosting a project on Measuring Productivity on Healthcare since this was a priority sector for the country. The Secretariat replied that it would inform the NPO after considering all the new project proposals vis-à-vis the total budget.

NPO Adviser for Japan Satoshi Suenaga shared that Japan through the Ministry of Economy, Trade and Industry (METI) considered energy efficiency as very important since it directly benefits the companies. He explained that given the benefits derived from energy efficiency, METI would like to focus in this area in transferring knowledge and know-how to APO member countries through trainings, workshops, study missions, etc.

NPO Delegate for Sri Lanka Upali Marasinghe inquired if the E-Learning Project on Performance Management for the Public Sector could be converted into face to face, which Sri Lanka would like to host. The Secretariat responded that this request will be considered.

The Chair then took up the reconfirmation of the hosting of 2016 projects and invited the delegates to provide their feedback.

NPO Delegate for Fiji Kamlesh Prakash commented that the program plan for the 2015-2016 Biennium should be relevant to the APO roadmap.

The Chair said that the program plan for the 2015-2016 Biennium was developed through proper process and was discussed in the past WSM.

Dr. Tabatabaei requested Japan to reconsider hosting of workshop on advanced renewable energy technologies in response to Adviser for Japan Sayaka Harada's comment that Japan would not host this project. However, Japan expressed its inability to host the project.

Adviser for Japan Sayaka Harada drew attention to the out of ranking project and said that the JPC was interested in labor management cooperation related project and requested the Secretariat to provide the opportunity to JPC to collaborate, in case this project was taken up for implementation.

NPO Delegate for Thailand Dr. Santhi Kanoktanaporn said that the projects for the 2015-2016 Biennium should be in accordance with the roadmap otherwise it would result in waste of the time and resources.

In response to comment of NPO Delegate for Thailand, the Chair said that the projects for the 2015-2016 Biennium were surveyed and prioritized in consultation with the NPOs and later discussed in the WSM.

Mr. Prakash inquired about the exact number of the projects confirmed for the year 2015 and 2016.

The Secretariat responded that the exact number of the projects would be calculated after completion of the session and would be informed to NPOs.

NPO Delegate for Malaysia Kamaruddin Mohamad supported the delegates from Fiji and Thailand and said that significant time was spent in discussing the roadmap and therefore it was necessary to align 2015-2016 Biennium program plan based on the KPIs indicated in the roadmap.

NPO Delegate for Singapore Leung Wai Ling supported the comments made by delegate from Fiji, Thailand, and Malaysia and said that 2015-2016 Biennium program plan should be reviewed and the projects of similar focus should be consolidated and combined in order to avoid repetition and utilize the resources effectively.

The Chair said that four countries including Fiji, Thailand, Malaysia, and Singapore made similar points concerning review of 2015-2016 Biennium program plans. The Secretariat would look into this; however, the clustering of projects in consideration of roadmap would have budgetary implications for both NPOs and APO. Based on the review by the Secretariat it would communicate with NPOs in order to enhance the effectiveness and relevance of the projects in line with the roadmap and also to maximize the use of resources.

Mr. Lin suggested additional projects in 2016 under the COE on GP as follows: Training of Trainers and Consultants in Green Productivity, Top Management Forum on Development and Strengthening Best Practices, GP World Conference and Pilot COE GP Award in ROC, Technical Service Providing COE GP Experts to conduct technical service upon Member Countries request, GP Demonstration Companies, and Survey and Publications of GP booklets and the COE GP Database including on-line database of interest groups community and experts.

Dr. Tabatabaei suggested additional projects namely: Measuring Productivity in Education Sector and Method of Improving Productivity in Rail and Road Transportation Sector.

The Chair Kalaw suggested that the Secretariat take note of all points and concluded the session.

The details of reconfirmation and changes made to the 2015-2016 biennium projects are provided country wise in the attached table.

### **Agriculture Committee**

Strategic planning session for Agriculture was conducted to reconfirm projects in the 2015-2016 Program Plan for the agriculture and food sectors. Agriculture Delegate from Sri Lanka D.B.T. Wijeratne chaired the session. The Chair outlined the tasks to be done and then requested the Secretariat to explain the project lineups the 2015–2016 biennium. After the explanation, the Chair proceeded to seek the reconfirmation of hosting and tentative schedule of implementation of projects as listed in Doc. No. 3.

For the 2015 Program Plan, the Committee noted that the “Training Course on Material Flow Cost Accounting (MFCA) in the Food–processing Industry” has no host country as Pakistan was unable to host and no country expressed interest to host the project. Some minor changes in title and project duration were also agreed for certain projects.

For the 2016 Program Plan, the project “Multicountry Observational Study Mission on Innovative Models for Social Enterprises in Rural Areas” also had no host country as



Thailand was unable to host. The “Workshop on Revitalizing Rural Economies for more Inclusive Development” and the “Training Course on Lean Production System in Agribusiness to Improve the Productivity and Sustainability of Agribusiness SMEs” also had no host as the proposed host countries Cambodia and the Philippines were unable to host the respective projects and no other country was able to host. In lieu of these projects, Cambodia offered to host a project on a “Workshop on Agricultural Insurance System” and likewise, the Philippines offered to host a new project “Workshop on Innovations in Agricultural Extension”. Considering the relevance of the two proposed projects, the Committee agreed to adopt the proposals. Some minor changes in project duration were also agreed for certain projects.

Considering that one project each in 2015 and 2016 had no host country, the Committee agreed to propose replacements for these projects with new projects which were relevant to the needs of member countries. Since most Delegates expressed constraints in hosting additional projects, it was suggested that the APO undertake the newly proposed projects. The following projects were recommended:

1. Research on Agriculture Policies (for 2015)
2. Research on Agribusiness Models (for 2016)

In addition the Committee recommended that the following projects should also be considered when additional resources are available:

1. Multicountry Observational Study Mission to Japan on Best Practices in Promoting Innovation and Productivity in Agriculture for Senior Government Officials;
2. Multicountry Observational Study Mission to Japan on Best Practices in Promoting Innovation and Productivity in Agriculture for Mass Media Practitioners.

The Chair reported that after the review of the 2015 and 2016 Program Plans, delegates discussed and agreed on the following:

1. It was suggested that a needs assessment of the agriculture sector should be undertaken to make the projects more responsive to the needs of member countries.
2. The issue of food losses and food wastes need to be addressed through appropriate projects since these are serious issues negating any productivity gains in many countries.
3. Considering the need to develop productivity measurements in agriculture, APO may cooperate with faculties and graduate students in reputable universities to undertake researches on developing new methodologies for measuring and monitoring productivity in agriculture as well as in other fields.

Finally, Dr. Wijeratne expressed his deep appreciation to all the members of the group for actively participating and sharing in the deliberations and to the Secretariat staff for their excellent support.

With the adoption of the reports of the Strategic Planning Committees of both the Industry and Service Sectors and Agriculture Sector, and taking into consideration the comments and suggestions made by the delegates during the SPS, Doc. No. 3: APO Program Plan for the 2015–2016 Biennium was adopted.