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ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

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**REPORTS OF REGIONAL INTERGOVERNMENTAL BODIES**

(Item 7 of the provisional agenda)

**REPORT OF THE ASIAN AND PACIFIC DEVELOPMENT CENTRE**

*Note by the secretariat*

The secretariat transmits to the Commission the report submitted by the Asian and Pacific Development Centre for information.

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The report of the Asian and Pacific Development Centre is reproduced in its original language, which is English. Any queries concerning the report should be directed to the APDC secretariat. The APDC secretariat wishes to inform the Commission that the nineteenth session of the APDC General Council is scheduled to be held on 14 and 15 August 2003.



## ASIAN AND PACIFIC DEVELOPMENT CENTRE

### SUMMARY OF ANNUAL REPORT 2002

#### **1. Key Institutional Developments**

During the year 2002, the Centre devoted attention to a review of its regional role from a long-term institutional development perspective. An external evaluation of the Centre's regional role was undertaken in October 2001 by a three-member Study Team, which subsequently submitted its findings and recommendations for consideration to the Sixteenth Session of the General Council held in March 2002. The Council approved in principle the Study Team's report excepting its financial recommendations and called on the members to return with their respective country positions.

Three months later, the Seventeenth (Special) Session was convened in July 2002 to take stock of the positions of respective member countries on the financial recommendations of the Study Team. After reviewing various options for the proposed financial rescue package for APDC, the Council considered the option proposed by Malaysia on the voluntary contributions made by Member Governments. The Council once again called on the members to consider the proposal and return with their respective country positions.

At the regular Eighteenth Session of the General Council convened in November 2002, the Council took note of the inability of most of the Member Countries to meet the financial requirements of the proposed financial rescue package for APDC. The Council, therefore, recommended that the Centre be dissolved. However, as the Member Governments had no prior notice of the recommendation to dissolve APDC, the Council agreed to seek the decision of their respective Government's on the recommendation. A final decision on the dissolution of the Centre will be made at the Nineteenth Session of the General Council to be held during the second quarter of 2003.

In view of the resolution for the dissolution of the Centre, the General Council at its Eighteenth Session agreed to appoint Dato' Dr Mohd Noor Harun, as a caretaker Director to oversee the dissolution process of the Centre. Also agreed to by the Council were the broad terms of reference for a Management Audit of the Centre which is currently being undertaken.

#### **2. Work Programme Highlights**

Two of the three Programme Co-ordinators of APDC resigned in 2002, leaving the Centre with only one Programme Co-ordinator. This, coupled with the protracted uncertainties on the continuity of APDC operations have caused a major setback in donor funding for leading projects of the Centre.

Notwithstanding the reduction of its workforce, the Centre stepped up its networking efforts during the period under review, on three fronts:

a) The Centre has forged partnerships with UN-ESCAP, the Asia and Pacific Rural and Agricultural Credit Associations (APRACA), and the Association of the Asian Confederation of Credit Unions (AACCU) for the purpose of organising and conducting a regional summit on Microfinance Policy and Governance once every two years. The first regional summit was held at UN-ESCAP in Bangkok, Thailand during 8-11 March 2002 and was attended by over 160 participants from 27 countries. The Bangkok conference unanimously adopted the *Bangkok Declaration on Microfinance*. The second regional summit is scheduled for June 2004 and will be held in Kuala Lumpur, Malaysia with participation from the Member Institutions of the respective regional organisations.

b) The Centre has also forged partnerships with a number of national associations of small and medium enterprises (SMEs) for the purpose of organising and conducting an International Trade Fair cum conference on Globalisation and SME Development once a year. In a meeting in Bangkok in September 2002, the three regional networks – UN-ESCAP, APRACA and AACCU – agreed in principle to expand the object of their partnership with APDC to include SME development. With respect to the Conference on Globalisation and SME Development, the first two regional conferences were held, respectively, in Langkawi, Malaysia in July 2001 and at Putra World Trade Centre (PWTC) in Kuala Lumpur in June 2002. Meanwhile, the SMI International Trade Fair in June 2002 – attended by 400 trade exhibitors and over 12,000 visitors – was the first trade fair of its kind and magnitude. The SMI International Trade Fair 2003 is scheduled for June 2003 and is expected to attract at least 15,000 visitors.

c) The Centre once again reactivated the Association of Development Research and Training Institutes of Asia and the Pacific (ADIPA) to bring together top-level public sector officials and policymakers, as well as representatives of the academe, corporate and private sectors, NGOs and civil society in a conference on “*Towards Asia and Pacific Renaissance: Recovery, Regional Cooperation and the Public Sector*”. The Conference was held in Kedah, Malaysia during 30 September to 2 October 2002.

For the year 2002, the Centre completed 18 projects under six programme areas:

*Economic and Financial Management Programme*

- 1) Consultation on Corporate Social Responsibility
- 2) Consultative Meeting on the Third International SMI Trade Fair 2002
- 3) Conference on Globalisation and SME Development 2002: Interactive Networking, Good Governance, and Economic Integration of SMEs for Increased Trade and Investment
- 4) Consultative Meetings on the Asia-Pacific Center for SME Development

*Energy and Environment Programme*

- 5) SIGN3-Asia: An Asia-Europe Partnership for Sustainable Investment

*Gender and Development*

- 6) Deepening Session on Gender Equity and Equality, 1 February 2002
- 7) Women, Gender and Development in Southeast Asia, Bangkok, Thailand, 18-28 February 2002
- 8) OXFAM Workshop on Gender Mainstreaming in East and Southeast Asia
- 9) Gender Perspective in Development Planning
- 10) Asia Regional Workshop on Strengthening Partnerships for Eliminating Gender-based Violence
- 11) 16<sup>th</sup> Asia-Pacific Roundtable on Confidence Building and Conflict Resolution

*Poverty Alleviation and Employment Programme*

- 12) Conference on Microfinance Policy and Governance: Public-Private Sector Cooperation; Building Knowledge, Capacity and Alliance of MFIs in Asia-Pacific Region
- 13) Consultation with Local Government Agencies on Savings-Based Microfinance
- 14) Seminar on Fundamentals of Financial Stewardship for Overseas Foreign Workers
- 15) Action Research on ICT and Entrepreneurial Skills Development Needs of Youth in Poor and Single-Parent Households

*Public Management and Human Resource Development Programme*

- 16) Towards Asia-Pacific Renaissance: Recovery, Regional Cooperation and the Public Sector

*Information and Communications Unit*

- 17) Executive Talk on Intellectual Property Rights, July 2002
- 18) Executive Talk on Promoting Youth Employment through Information and Communication Technologies (ICT): Best Practices in Asia and the Pacific

In addition to the above projects, the Centre's professional staff were actively engaged in consultancy work and the representation of Asia-Pacific regional interests at international forums and events.

### **3. Financial Status**

The Centre has currently twenty Member Governments and two Associate Member Governments which pledge an annual contribution towards its operating expenditure. On the whole, income from Member Government contributions has continued to decrease in 2002 to US\$478,000 from as compared to US\$845,600 in 1997, prior to the Asian financial crisis. This has forced the Centre to draw upon the reserves it has built up over the years.

International House income increased by 67 per cent, from US\$161,200 in 2001 to US\$270,000 in 2002. This was due to restoration of its services and activities after a downtime period for the renovation and refurbishment of the Centre's premises. Income earned from International House activities is used to subsidise the shortfall experienced in other income segments.

In view of the overall reduction in income and escalating costs, the Centre is currently facing a severe shortage of funds. APDC's weak financial position and lack of future viability are the factors which prompted the General Council of APDC to recommend the dissolution of the Centre.