Review of the Pilot Phase of Multi-Year Projects: Key Findings, Recommendations and Management Response

Purpose: Consideration
Submitted by: APEC Secretariat

First Budget and Management Committee Meeting
Clark, Philippines
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Review of the Pilot Phase of Multi-year Projects: Key Findings, Recommendations and Management Response

Purpose

1. The purpose of this paper is to:
   - present the key findings and recommendations of the mid-term review of the pilot phase of multi-year projects (MYPs); and
   - recommend a management response to the review recommendations for BMC consideration.

Background

2. In 2010, the policy framework and procedures for implementing multi-year APEC projects (MYPs) was developed and the approach was piloted in 2011. Twelve projects are being implemented under the pilot.

3. Members agreed in 2010 that the Secretariat would commission a review of MYP processes and policies mid-way through the pilot phase, as sufficient experience would be gained with the management procedures to reflect on desirable changes. It was recognised that the review would not be able to realistically assess the overall effectiveness of the projects in meeting their objectives, as all MYPs are still being implemented and none have been completed. Terms of reference for the review, at Annex 1, were presented at BMC 1, 2014.

4. The review was conducted by consultant Ms. Nadira Mailewa from September to December 2014 following a review plan agreed by the Secretariat and BMC Small Working Group on Project Effectiveness (SWGE). The review included desk research, surveys of project overseers, working group/sub forum chairs, committee chairs, program directors and program executives, and extensive discussions within the Secretariat. A first draft of the review was provided to members of the SWGE for comment in December 2014.

Issues

5. The draft final review report is included at Annex 2. As per the terms of reference for the review, the report findings and recommendations are focused on three areas:

1. policy guidelines that are being piloted to enable APEC members to develop MYP proposals;
2. procedures that are being piloted to enable the APEC Secretariat to implement MYPs;
3. funding arrangements for MYPs and the capacity of APEC to fund MYPs on a regular basis.

The report makes 14 recommendations. The recommendations, and the management response proposed by the Secretariat to address them, are presented at Annex 3. A brief discussion of this is presented below.
Timing for a BMC Decision on Future MYPs

6. The first recommendation of the report is that the current 12 pilot MYPs should be completed and then evaluated for their effectiveness before a decision is made about commencing future projects. The reasoning is that decisions regarding the future of MYPs should be based on clear evidence that the pilot MYPs have achieved their intended objectives - including that, in comparison to standard projects, they are strategic, high level and capable of supporting enhanced capacity building outcomes within APEC.

7. The report also highlights that there is a significant additional resource and administrative load, for both the Secretariat and project overseers, attached to managing MYPs in comparison to standard projects, and that it is important to have an evidence-based determination that this additional load is justifiable. Until the current pilot MYPs are completed, this will not be known.

8. Views provided by the SWGE, and the view of the Secretariat, is that this is a sensible and logical approach. However, with the last MYP not scheduled for completion until December 2018, it would mean that an evaluation would not be undertaken until 2019 at the earliest, which is a long wait.

9. After analyzing the completion dates for the 12 MYPs currently being implemented, the Secretariat proposes that an evaluation be undertaken after the completion of 75% of the projects, which is a majority proportion that should still allow for robust evaluation and analysis. According to the current schedule, this will bring the completion date forward to December 2016.

Policies and Procedures to Manage MYP Development and Implementation

10. The current approach to managing MYPs is based on the same platform as managing standard projects. The report concludes that while there are efficiencies in this approach, MYPs are in fact far more complex to manage than standard projects and therefore require more enhanced project management policies and processes.

11. The report provides a number of recommendations about changes to the Secretariat’s processes to better manage MYPs. The Secretariat supports these recommendations, and its approach is that many can be implemented during the current pilot project phase and will lead to more efficient management.

12. However, some recommendations will be complex to implement. If implemented immediately, they would require more significant reform of the current management process, with the inherent risk that this will lead to confusion for the project overseers who are in the middle of implementing their MYPs, which may affect project quality. The Secretariat’s approach is that these more complex recommendations are best addressed as part of a detailed re-design of the MYP process, which would be more appropriately implemented once a decision is made on the future of MYPs (after the current pilot projects are evaluated). Responses from the SWGE did not object to this position.
13. On that basis, the management response at Annex 3 outlines which recommendations could be addressed immediately and which could be addressed as part of a more detailed re-design when a decision is made on the future of MYPs (after the current pilot projects are evaluated).

Funding Arrangements for MYPs

14. Regarding the capacity of APEC to fund MYPs on a regular basis, the report notes that some of the assumptions that were made about the availability of project funding when the MYP pilot was first conceived in 2010 have not proven to be accurate through time. In particular the availability of project funding is far more variable than was originally assumed.

15. This variability will impact on APEC’s ability to commit to longer term projects on a regular basis. When a decision is made on the future management of MYPs (after the current pilot projects are evaluated), it will be important that a predictable, sustainable funding source is available.

Recommendations

16. That BMC:
   a. Endorses the ‘Review of Multi Year Projects: Draft Review Report’ at Annex 2 as the final review report;
   b. Endorses the management response to the recommendations of the report at Annex 3 to address the recommendations of the report.

APEC Secretariat
January 2015
REVIEW OF APEC MULTI-YEAR PROJECTS

BUDGET & MANAGEMENT COMMITTEE MEETING
03 February 2015
Clark, Philippines

Presented by
Nadira Mailewa

OVERVIEW OF PRESENTATION

The presentation will cover:
• A brief background on the approach to support longer term, strategic projects within APEC
• An overview of the review scope and methodology
• An overview of the review findings
• The review recommendations
BACKGROUND
MULTI-YEAR PROJECT APPROACH

• The importance of longer term, strategic capacity building activities as a means of effectively building the capacity of APEC member economies, was discussed in 2008
• The Secretariat commissioned a consultancy to scope out the approach for multi-year initiatives and to draft suggested policy guidelines and procedures, in 2010
• The pilot phase of MYPs commenced in 2011 Session 3
• Terms of Reference and scope for the proposed mid-term review of the MYP, approved by BMC in 2014

REVIEW OBJECTIVES

“To review, and make appropriate suggestions to strengthen APEC’s approach to supporting multi-year capacity building projects for consideration by the APEC Budget and Management Committee (BMC) in 2014.”
SCOPE OF THE REVIEW

- Review and make appropriate suggestions to strengthen policy guidelines that are being piloted for the design of MYPs
- Review and make appropriate suggestions to strengthen procedures that are being piloted to implement MYPs
- Review funding arrangements for MYPs and the capacity of APEC to fund MYPs on a regular basis

REVIEW METHODOLOGY

- The approach and methodology included in the Review Plan and endorsed by the Small Working Group on Effectiveness (SWGE)
- The methodology included:
  - A desk review of key documents
  - Survey of internal and external stakeholders
  - Focus group discussion with Secretariat staff
REVIEW METHODOLOGY CONT:

- Desk review of documents included:
  - Relevant papers relating to the original design and scoping of multi-year projects
  - BMC papers focusing on project reforms since 2009/10
  - BMC documentation relating to APEC project funding issues
  - MYP project documentation (MYP project proposals and monitoring reports)
  - The APEC Project Guidebook (Edition 9)

REVIEW METHODOLOGY CONT:

- Surveys of internal and external stakeholders involving:
  - Program Directors, Program Executives and Project Overseers of the 12 pilot projects
  - Chairs of the project’s originating forum
    - Questionnaires included open ended questions to collect qualitative information
  - Focus group meeting with Secretariat staff to validate findings
ASSUMPTIONS & LIMITATIONS

- The review scope was limited to a focus on the operational aspects of MYPs
  - Assessing the effectiveness or impact of the pilot projects was not possible given that a number of projects are midway through implementation

ASSUMPTIONS & LIMITATIONS CONT:

- The original assumptions underpinning the approach for MYPs are not valid in the current context
  - The demand for project funds has increased vis-à-vis project fund availability
  - The cost of a standard project has increased since 2009—from US$85,222 in 2009 to US$132,476 in 2014
  - Availability of APEC projects funds in untied funding sources have been declining since 2013
KEY FINDINGS

- **Policy guidelines and implementation framework**
  - There is strong evidence of alignment of projects with key strategic and policy frameworks
  - There is strong evidence of continued support from members of the originating forum
- **However:**
  - Limited evidence of significant levels of cross fora collaboration
  - No clear indication of the nature and value of the engagement of non-APEC stakeholders
  - Limited indication of the nature of SOM/Committees engagement during project implementation

KEY FINDINGS CONT:

- **Procedures, systems and templates**
  - While the project administration and management arrangements are broadly appropriate, there is an added complexity to the management of longer term projects
  - Existing systems relating to approvals of budget amendments need further streamlining
  - Standardising the definition of project timeframes and amending the submission deadlines of annual reports are needed
  - Strengthening the use of the August Monitoring Report as a management tool is needed
  - Selection process used for pilot MYPs to be revisited
KEY FINDINGS CONT:

• Funding issues
  • There is less predictability of funding to support longer term, higher-value projects within APEC

REVIEW RECOMMENDATIONS

• Strengthening policy guidelines — higher level policy recommendations
  1. That an ex-post evaluation be undertaken after the completion of the 12 pilot initiatives to inform future directions
  2. That steps be taken to increase the level of engagement by SOM/Committees in project planning and implementation
  3. That an assessment of resource implications of managing MYPs be undertaken as part of the ex-post evaluation of the pilot phase
  4. A clear process to mitigate risks of duplication between standard projects and MYPs, be established
REVIEW RECOMMENDATIONS CONT:

• Strengthening procedures and procedural recommendations
  5. Details of collaborative efforts and evidence of cooperation by APEC fora and non-APEC fora to be systematically collated
  6. Annual Monitoring reports to continue as triggers for payments
  7. Steps to be taken to strengthen the utility of the annual monitoring reports as management tools
  8. Standardise the definition of the MYP project year as a ‘calendar year’
  9. The submission deadline for the annual monitoring report to be changed from August to December

REVIEW RECOMMENDATIONS CONT:

  9. Internal processes for approving budget amendments to be further streamlined
  10. Approvals for amendments to budget line items in project out-years to be simplified
  11. (Should a decision be made to continue with MYPs) a single selection process be instituted for both Standard projects and MYPs to ensure a more competitive selection process
REVIEW RECOMMENDATIONS CONT:

• Funding related recommendations
  13. That any decision to continue with MYPs as a funding modality to be based on an in-depth assessment of the sustainability and predictability of funding sources to support longer term initiatives within APEC
  14. The potential for supporting MYPs under the General Fund Account be examined as this fund satisfies the criteria of predictability and sustainability.

THANK YOU

ANY QUESTIONS?
DRAFT TERMS OF REFERENCE

Consultancy to review multi-year capacity building projects in APEC

Objective
The objective of the consultancy is review, and makes appropriate suggestions to strengthen APEC’s approach to supporting multi-year capacity building projects for consideration by the APEC Budget and Management Committee (BMC) in 2014.

Background
Capacity building projects are a vital element of APEC’s efforts to achieve sustainable economic growth and prosperity in the Asia-Pacific region. Projects provide the opportunity for APEC members to share ideas and experiences, and learn best practice in promoting free and open trade and investment. They complement and give practical application to APEC’s agreed policy goals of accelerating regional trade and economic integration, encouraging economic and technical cooperation and facilitating a favourable and sustainable business environment. Projects also strengthen relationships and networks between APEC members. As such, projects help to translate APEC’s policy goals into concrete results and agreements into tangible benefits.

APEC’s goals can take many years to accomplish, however APEC’s capacity building projects have traditionally been short-term in nature, consisting of one-off seminars or workshops, analytical research, development of databases or websites, etc. These projects are important, however their short-term nature has often meant it is difficult to determine whether they have led or contributed to effective and sustainable outcomes. APEC has identified that longer-term (multi-year) projects are one mechanism that can help to meet its goals more effectively.

In 2008, APEC Ministers highlighted the importance of promoting a more strategic, longer term approach to capacity building in APEC - please refer to SOM 2008/BMC3/014. Subsequently, SOM approved a policy approach to support more strategic, higher value, multi-year projects in 2010.

In 2010, APEC’s Budget and Management Committee (BMC) approved policy guidelines, procedures and transitional arrangements to support implementation of multi-year projects. The guidelines and procedures specify a different (often higher) standard that multi-year projects should meet (compared to short-term projects, for example in relation to self-funding levels, the involvement of APEC fora, engagement with non-APEC stakeholders, links to strategic plans, and co-sponsorship).

The BMC agreed that 12 multi-year projects would be implemented as a pilot and that these would be subsequently reviewed to assess the effectiveness and efficiency of the guidelines and procedures. APEC is continuing to implement both multi-year projects selected under the pilot and short-term projects while the multi-year pilot is taking place.
During the pilot implementation, funding for multi-year projects is approved for the subsequent year of the project (as in standard projects), even though the projects receive in-principle approval for the total duration of the activity, which in some cases are up to five years. At BMC2 in June 2013, it was stated that the existing funding arrangement for multi-year projects would be considered during the review. This aspect will also be considered alongside the modus operandi for setting aspirational targets for voluntary contributions from members and capping the value of projects approved per year/session. Both these issues will be considered at the BMC meeting to be held in February 2014.

**Small Working Group on Effectiveness**

A Small Working Group on Effectiveness (SWGE) has been established under the BMC to provide strategic direction to support APEC’s efforts to improve project management. This group was involved in the development of the framework to guide APEC project evaluations in 2012. The Secretariat anticipates the active engagement of the SWGE in the proposed multi-year project review process.

The proposed review of multi-year projects will be undertaken in the context of the other project reform work progressed by BMC to date. This includes the work on instituting a framework for evaluating APEC projects which was completed in 2013. Other relevant reforms include work on streamlining project selection, improving the predictability of funding and the work done under SCE to improve the strategic focus of APEC capacity building activities.

**Scope of the project**

1. Review, and make appropriate suggestions to strengthen, policy guidelines that are being piloted to enable APEC members to develop multi-year project proposals that:
   - address APEC’s longer-term priorities
   - demonstrate strong alignment with fora level (working group/sub fora) strategic plans and medium term work plans
   - are well designed in scope and content
   - provide value for money
   - deliver wide-ranging, clearly defined and sustainable benefits for participants and beneficiaries.

2. Review, and make appropriate suggestions to strengthen, procedures that are being piloted to enable the APEC Secretariat to implement multi-year projects, including:
   - The process for selection of projects
   - Appropriate funding procedures
   - monitoring mechanisms, including grounds for termination
   - evaluation procedures
3. Review the funding arrangements for multi-year projects and the capacity of APEC to fund multi-year projects on a regular basis, and make recommendations on an appropriate mix of single-year and multi-year projects to be funded.

**Methodology**

i. Prior to the commencement of the review, the consultant should gain a thorough appreciation of the context, rationale, desired outputs and outcomes, implementation methodologies, program management, funding mechanisms, monitoring and evaluation, and major issues associated with the delivery of multi-year projects in APEC. In particular the consultant will review key documentation and have discussions with APEC Secretariat staff to gain a sound appreciation of the issues relating to these projects.

ii. Following the stakeholder consultation process the consultant will draft a review plan in consultation with the APEC Secretariat. The plan will describe the approach to be followed, proposed timelines and provide an indicative report structure. The review plan will be approved by the APEC Secretariat prior to work commencing. The plan should include, but not be limited to:

   a. **Desk research and analysis:** this is including but not limited to: the policy guidelines and procedures governing multi-year projects approved by BMC (as detailed in BMC papers and the Guidebook); project proposals and relevant supporting documentation for the pilot activities; monitoring reports and the summary reports prepared by the Secretariat for BMC;

   b. **Consultations with external stakeholders:** this is including but not limited to: the BMC Small Working Group; project overseers from the various economies implementing APEC multi-year projects; representatives of fora including Lead Shepherds, Convenors and Chairs from the respective working groups that are sponsoring the projects; and members who have participating in project events; and

   c. **Consultations with APEC Secretariat staff:** including PMU staff; staff from the Finance unit and relevant PDs responsible for Committee and working groups/sub fora.

iii. Following approval of the plan with the APEC Secretariat, the consultant will undertake the review.

iv. Following completion of the review the draft review report including any recommendations will be provided to the APEC Secretariat and the BMC Small Working Group for comment, prior to a final review being submitted to the BMC.

**Deliverables**

i. **A review plan:** The plan will contain details describing the approach to be followed by the consultant to conduct the review. This will include the proposed timelines; scope of the review and reporting requirements - including an indicative report structure to be provided to the APEC Secretariat two weeks after the commencement of the consultancy. The review plan will take into consideration how to address the list of issues compiled by the Secretariat during the implementation of the pilot activities.
ii. **A draft review report including proposed recommendations.** This will be no longer than 10 pages, including any annexes, and will incorporate the outcomes of consultations with the Secretariat staff and other stakeholders. It will be provided to the APEC Secretariat and SWGE for comment, prior to a final review being submitted to the BMC. The draft will be provided three months after the commencement of the consultancy. The consultant will incorporate comments/feedback on the draft paper from SWGE members with the intent to finalise the methodology and criteria.

iii. **A final review report including proposed recommendations.** This will incorporate comments/feedback on the draft review from the APEC Secretariat and SWGE members. It will be no longer than 10 pages, including any annexes, and will be provided four months after the commencement of the consultancy.

iv. **A presentation** on the final review to a meeting of BMC, as required.

**Skills and Experience**
The consultant must possess the following skills and experience:

- sound knowledge of APEC project processes and systems,
- knowledge of project management processes in comparable multilateral, development and government organisations (e.g. UN, ADB, World Bank, WTO, ASEAN, JICA/MFA, USAID, NZAID etc.);
- capacity to apply knowledge to relatively small value projects or small grants programs;
- sound experience in analysing broad policy statements and translating these into clear and practical implementation procedures;
- knowledge of trade related issues and the provision of technical assistance for capacity building; and
- excellent oral and written communication skills in English.

**Key documents to review**

a) Guidebook on APEC Projects (Edition 8 – Chapter 8 and other relevant sections pertaining to project implementation).

b) BMC papers on implementing Multi-Year Projects (2008/09/10)

c) Key documentation relating to relevant forums’, working groups’ and sub fora – Strategic Plans, Collective Action Plans, mid term plans.


e) Relevant documentation relating to the evaluations of APEC projects (relevant BMC papers from 2011 as well as the consultancy report from 2013).

f) PMU Effectiveness Review report 2013.
Acknowledgements

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EXECUTIVE SUMMARY

In 2011, an approach to support longer term, higher value capacity building projects in APEC was introduced. It was agreed at the time that a mid-term review of the approach for Multi-year Projects (MYP) would be undertaken and in 2014 the APEC Secretariat commissioned an independent review of MYPs. The objective of the consultancy is to review, and make appropriate suggestions to strengthen APEC’s approach to supporting multi-year capacity building projects for consideration by the APEC Budget and Management Committee (BMC) in 2014.

Review methodology and framework

The review methodology included a desk review of key documentation, a survey of stakeholders and focus group discussions with relevant stakeholders. Data was collected through the desk review followed by surveys of APEC Secretariat Program Directors and Program Executives, Project Overseers (POs) and the relevant Chairs/Convenors. The review included all twelve projects in the pilot phase. All internal stakeholders invited to participate in the survey responded to the questionnaire, a total of 9 out of 11 responses were received from POs and four out of nine responses were received from Chairs. A focus group meeting was held with APEC Secretariat staff to discuss the overall recommendations and to test out the practicality and usefulness of the proposed recommendations. The review framework included an assessment of three areas: policy guidelines and selection criteria which form the implementation framework for MYPs that was approved by members in 2010; project templates, management arrangements and administrative procedures; and project funding.

Key Findings

The policy guidelines piloted under the MYP approach require evidence of clear links with APEC strategic frameworks. This is considered a key proxy for priority. Based on the responses received, clear links are apparent between forum level strategic plans, Collective Action Plans and sector specific plans (such as the Ease of Doing Business Action Plan) and the pilot projects. Examples demonstrating evidence of linkages between projects and forum-level policy frameworks were provided.

The findings reveal high levels of support for the projects by forum members with support demonstrated through examples of member participation in project activities and the discussion and adoption/replication of project related outputs, process and systems by members. This is also a reflection of the level of priority assigned to these projects.

The survey findings reveal limited levels of cross fora collaboration in the projects. Respondents felt that proper collaboration is needed to extend beyond information sharing and that this was an area that required further work. The review recommends the provision of a clearer definition of what constitutes ‘effective’ cross fora collaboration. Based on survey findings, collecting useful information on current practices on cross fora collaboration through existing reporting frameworks, is also recommended.

MYPs were designed to deliver strategic and high level outcomes. In order to ensure that the strategic focus of APEC-wide policies is maintained, projects are required to be ‘sponsored’ by SOM/Committees. Respondents highlighted the importance of SOM/Committee level engagement in projects and provided evidence of various levels of engagement, however further details on the actual nature and involvement of SOM/Committees during the planning and implementation stages of the project would be useful to assess whether the policy principles underpinning this particular criterion are being achieved.

Similarly, respondents indicated evidence of a wide range of non-APEC stakeholder engagement in projects during implementation. Again, further details on the nature of their involvement during project planning and policy development are needed to present a better picture of how these collaborative relationships can be used to
promote positive outcomes for APEC. Nevertheless, the evidence indicates that there is broad support and interest in APEC work by non-APEC bodies.

Participants’ views were sought on existing administrative and management processes in a bid to support further streamlining and standardisation of project management processes. Among the issues highlighted simplifying budget amendments, standardising the project definitions of timelines/project and submission deadlines were identified as key issues by internal respondents. Simplification of budget templates and processes, in particular, introducing flexibility to approving changes to budget estimates for outer years were highlighted as key concerns by external stakeholders.

The review provides recommendations on changes to existing systems and processes established under the pilot phase to support the implementation of MYPs. However some of the proposed changes are likely to have resource implications. Given the narrow focus of the review which was limited to operational aspects of MYPs, some of the higher level issues relating to future directions of MYPs post-pilot phase could not be addressed at this juncture. For example, arriving at a definitive answer to the question as to whether MYPs should be the “exception or the norm”, or the optimum mix of standard and MYPs and the total volume of projects to be funded per annum, are issues that cannot be addressed through this review.

It is recommended that any decisions regarding the future of MYPs should be informed by assessments of the effectiveness of the pilot projects in terms of their ability to achieve high level strategic outcomes and sustainability; the availability of secure, sustainable and predictable funding sources to support longer term projects within APEC and an analysis of the overall resource implications of managing the MYP approach.

A focus group meeting was held with APEC Secretariat staff to discuss and test out review findings and proposed recommendations. Useful information was gathered on the practicalities of implementing the recommendations. Participants acknowledged the limitations of the review and agreed with the recommendation that any decisions pertaining to the future directions of MYPs beyond the pilot phase will require the completion of a comprehensive effectiveness review or an ex-post evaluation to assess issues such as relevance, efficiency, effectiveness, sustainability and impact and most importantly evaluate if MYPs satisfy the requirements of being high level and strategic. Participants also agreed that decisions on continuing with MYPs should be informed by an assessment of the ability to guarantee secure, predictable and sustainable funding levels that are required for longer term projects. The discussions also brought to the fore the complexity of the management arrangements involving MYPs and the resulting resource implications.

**Recommendations**

Based on the findings, the following recommendations which are grouped under the three categories of higher level recommendations, procedural recommendations and recommendations relating to funding, are proposed.

**Strengthening policy guidelines – higher level policy recommendations**

1. That an ex-post cluster evaluation of MYPs be undertaken after the completion of the 12 projects to inform future directions for MYPs. This assessment should assist in informing any decisions regarding the numbers of MYPs to be supported and the appropriate mix of standard and multi-year projects.
2. That steps be taken to increase the level of engagement by SOM/Committees in project planning and implementation to ensure that projects' strategic focus and alignment with APEC-wide priorities are maintained.
3. That an assessment of the resource implications of managing the MYP modality be undertaken as part of the ex-post evaluations of projects to inform future decisions.
4. That a clear process to mitigate any risks of duplication between MYPs and standard projects be established. This may involve a brief statement by the PO in the project cover sheet confirming that measures have been taken to mitigate potential risks of duplication between standard projects and MYPs supported by the forum.
Strengthening procedures and procedural recommendations

5. That details of collaborative efforts and evidence of cooperation by APEC fora and non-APEC stakeholders during project planning and implementation be collated as part of the project reporting requirements (Refer to Annex D).

6. That the annual Monitoring Reports are continued as the trigger for payments.

7. That steps are taken to strengthen the value and utility of the Annual Monitoring Report as a management tool.

8. That a standard definition for project years is taken by defining the MYP project year in terms of a calendar year. This may need to be preceded by an assessment of the likely resource implications of making relevant amendments to the current budgetary allocations and estimates to accommodate the proposed changes.

9. That the submission deadline for the Annual Monitoring Reports is changed from August to December.

10. That internal processes for approving reprogramming requests and budget amendments for MYPs during the pilot phase be further streamlined and simplified.

11. That approvals for amendments to budget line items for out-years of the project (if these changes do not alter the scope of project) be simplified further.

12. That, if a decision is made to continue with MYPs, a common selection process be instituted for both MYPs and standard projects to promote a more competitive selection process and to minimise the administrative burden.

Funding recommendations

13. That any decision to continue with MYPs as an APEC project modality be based on an in depth assessment of the sustainability and predictability of funding sources to support longer term, multi-year initiatives.

14. That the potential of supporting MYPs under the General Fund Account be examined as this fund satisfies the criteria of sustainability and predictability.
1. INTRODUCTION

In 2011, as part of the Asia Pacific Economic Cooperation’s broader project management reform agenda an approach to support longer term, higher value capacity building projects was introduced. Twelve pilot projects were selected for implementation (list of projects is at Annex A). It was agreed that a review of the multi-year project processes and policies would be undertaken mid-way through the pilot phase as sufficient experience would be gained with the management procedures and guidelines to reflect on suitable amendments to existing processes. In 2014, the APEC Secretariat commissioned an independent review of MYPs. The objective of the consultancy is “to review, and makes appropriate suggestions to strengthen APEC’s approach to supporting multi-year capacity building projects for consideration by the APEC Budget and Management Committee (BMC) in 2014”. A copy of the Terms of Reference (ToRs) is at Annex B.

The review scope involved an assessment of existing policy frameworks, operational systems and processes instituted by the Secretariat and approved by BMC in 2010 to support the implementation of longer term, strategic, multi-year projects. It was agreed that the review would not involve an assessment of the overall impact or effectiveness of the pilot projects as several of these projects are currently midway through implementation. This report presents the results of the review and provides recommendations on changes that can be made to existing systems implemented under the pilot phase. Some of these are likely to have resource implications. Given the narrow scope of the review, some of the higher level issues relating to decisions about the future directions of MYPs, cannot be addressed at this juncture.

2. REVIEW OBJECTIVES, SCOPE & METHODOLOGY

The objective of the consultancy was to “review, and make appropriate suggestions to strengthen APEC’s approach to supporting multi-year capacity building projects for consideration by the APEC Budget and Management Committee (BMC) in 2014”. The ToRs required an assessment of “policy guidelines that are being piloted to enable APEC members to develop multi-year project proposals”; “procedures that are being piloted” and “funding arrangements for multi-year projects and the capacity of APEC to fund multi-year projects on a regular basis, and make recommendations on an appropriate mix of single-year and multi-year projects to be funded”. The focus was on the policy guidelines and criteria which form the implementation framework for MYPs approved by members in 2010; project templates, management arrangements and administrative procedures; and project funding arrangements.

The details of the review approach and methodology were included in the Review Plan for approval by the Secretariat and the BMC Small Working Group on Effectiveness. These included:

- **A desk review of key documentation.** This included BMC documentation relating to the overall policy framework for MYPs (Secretariat’s papers to members and consultant’s reports), BMC papers relating to project funding; key project documentation (APEC Project proposals/Monitoring reports); and the APEC Project Guidebook (Edition 9).

- **Survey of internal and external stakeholders.** Project overseers of the 12 projects and the Chairs/Lead Shepherds and Convenors of the originating forum for the project were invited to participate in the survey. A survey was also distributed to relevant APEC Secretariat’s Program Directors (PDs) and Program Executives (PEs), responsible for the day-to-day management of MYPs. The survey was completed jointly by PDs and PEs. The rationale for using all these groups was to ensure that any potential risk of bias in the responses would be mitigated. Given that the review places emphasis on the assessment of the operational aspects of implementing MYPs, extending the review to a larger group of stakeholders (i.e all forum/working group members) would not have added much value.
Focus group discussions with internal stakeholders. The objective of the focus group meeting was to discuss and test the viability of the options and recommendations that were based on the results obtained through the survey.

3. ASSUMPTIONS & LIMITATIONS

This section highlights the assumptions that underpinned the design of the MYP approach and the limitations of this exercise.

The review is limited in its ability to inform higher level decisions regarding the future directions of MYPs beyond the pilot phase, as an assessment of the overall effectiveness of the projects to deliver enhanced capacity building outcomes, their strategic relevance, sustainability and impact was not possible given that a number of pilot projects are midway through implementation. Ideally, decisions regarding the future of MYPs should be based on a comprehensive assessment of the basic premise that underpins the policy approach for MYPs – which is that the projects would be much more strategic and higher level than standard projects and able to build capacity more effectively in member economies to make the most of international trade. The scope of the review was limited to making “appropriate suggestions to strengthen APEC’s approach to supporting multi-year capacity building projects for consideration by the APEC Budget and Management Committee (BMC) in 2014”. Emphasis was placed on assessing existing policy guidelines, criteria and procedures established to support the implementation of the pilot phase of MYPs.

The validity of the assumptions about funding availability, predictability, and sustainability to support longer term, multi-year initiatives within APEC that underpinned the feasibility assessments for MYPs are also debateable in the current context. The sensitivity analysis (completed in 2009) of the effects of introducing MYPs on standard projects, was based on the premise that the guaranteed level of annual funding for APEC standard projects would remain at an estimated $12 million per annum over a five year period (2011-15). Based on this1, the cumulative budgetary effect of funding three MYPs per selection round, over a five year period (based on an annual MYP allocation of $100,000 per project, per annum) was: 5% impact on the budget in Year 1; 13% in Year 2; 20% in Year 3; 28% in Year 4 and 30% in Year 5. These assumptions were based on the total funding envelope available under both tied and untied funding mechanisms.

Several changes have taken place since these initial assessments were undertaken in 2009 that have implications for funding MYPs. The initial assessment estimated the cost of a standard project at US$80,000 however more recent analysis undertaken by the APEC Secretariat indicates a steady increase in the value of standard projects over a period of six years (2009-2014) from US$85,222 in 2009 to US$132,4762 in 2014. Refer to the chart below. Since 2009, the demand for project funds has also substantially increased vis-a-vis availability. Analysis undertaken indicates that over this same five year period, only 55% of projects seeking funding have been funded on average. In 2014, the impacts of the diminishing volume of project funds in untied funding sources was amplified with just 27 projects funded in Session 1, 2014 out of a total of 125 submissions. The ASF General Fund had an approval rate of only 5% in this session.

1 Which was based on the assumption that the MYP pilot would commence in Session 2 2011.
2 Note that the S2 2014 project values and numbers are indicative at this stage, as Session 2 is still underway.
There is pressure on the budget available for standard projects as funds for the 12 approved MYPs are set aside at the start of each year out of a common pool of funds allocated for all APEC projects\(^3\). For 2014 the total annual budget allocation for all standard APEC projects is estimated at US$11.5 million\(^4\) and out of this, untied funds under the ASF General fund represents over 11% and TILF 6%. The General Project Fund comprises 17% of the total volume. The remaining 66% of the budget represents tied funds (funds under the ASF sub funds). This reflects the limited amount of funding available under the untied funding mechanisms for projects.

Twelve MYPs are currently funded under the pilot phase at a total value of US$5.4 million. Ten of these are funded under the two untied funding mechanisms: the APEC Support Fund (ASF) General Fund and the Trade and Investment Liberalisation and Facilitation (TILF) Special Account. Seven of the ten projects are funded under the ASF General Fund and account for up to 57% of the total MYP budget (in dollar terms approximately US$3.1 million), and three projects are funded under the TILF Special Account at a value of US$1.5 million. The remaining two projects are funded under the ASF Energy Efficiency sub fund and the ASF Human Security sub fund. The total budget allocation for MYPs in 2014 is just over US$1.55 million\(^5\). This includes US$608,457 for the projects funded under TILF, US$463,875 for projects under the ASF General Account, and US$480,458 for projects supported under the Energy Efficiency and Human Security Sub funds.

In 2013 the APEC Secretariat’s analysis revealed a decrease in project funding starting from 2014 in untied fund accounts such as the ASF General Account and the TILF Special Account (2013/SOM3/BMC/007). The lack of predictability and uncertainty of future levels of voluntary (untied) contributions led to the Secretariat undertaking further analysis of potential options for managing this situation. The suite of options discussed by BMC include the following:

- From 2015 setting an aspirational target for the funding levels in the Trade and Investment Liberalisation and Facilitation Account and the APEC Support Fund (General Fund) with a planning horizon of three years. Details of the implementation framework and mode of operation have been finalised by BMC and endorsed at AMM in 2014.
- Transfer unspent and unutilised tied funds to the ASF General account when funding levels in the sub fund are depleted to a level equal or below US$100,000 without any new pledges. This approach has been approved by BMC and SOM for implementation by the Secretariat.

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\(^3\) The allocation is based on the annual estimated budget (for the subsequent year) that is included in the Monitoring report.

\(^4\) Figures sourced from the APEC Finance section (indicative). For the purpose of this exercise, the amounts are rounded up to $11.5 million.

\(^5\) The amounts will be disbursed upon the Secretariat appraisal and BMC approval of the August Monitoring Report.
• Set a cap on the total value of projects approved per year/session (for TILF and ASF General). Under this arrangement (approved by BMC and SOM), the cap is set at 1/3 of the funds available as at 31 December of the previous year after any deductions for existing MYPs. It was also agreed that if the funding is at or below US$1.5 million, the whole sum will be allocated to the current year. Furthermore the capped amount per annum will be allocated equally to the project sessions in the year as per existing practice. This of course will be subject to the requirements of the donor.

• A decision to transfer excess funds in the Secretariat account’s uncommitted reserve to support projects from 2015 and beyond was made in August 2014. Following a consultancy study on a realignment of the APEC Secretariat’s financial processes it was proposed that funds in excess of the target level of SGD2 million in the Secretariat account reserves will be transferred to the General Project account to support APEC projects in 2015 and beyond. The transfer will take place at the start of each year, and aim to maintain the historical average of funds since 2006 which is estimated at US$1.95 million. This was discussed at BMC 2 in 2014.

All this demonstrates that the environment for supporting higher value, longer term projects has changed and that decisions about the future of MYPs as an APEC project modality will need to be based on careful consideration of the availability, predictability and sustainability of funding. In this context, higher order decisions whether MYPs should be the norm or the exception; or whether MYPs should be supported alongside standard projects and the quantum and balance of projects to be funded (standard vs MYP) cannot be made at this juncture as a result of the levels of uncertainty in project funding availability.

There are currently no systems in place to manage and mitigate the risks of potential duplication between MYPs and single, one-off capacity building projects that aim to achieve the same objectives and outcomes. The rationale for supporting longer term strategic projects was also to alleviate the administrative burden of funding several, small scale, one-off projects. Essentially, a multi-year activity is designed as a single initiative broken into several inter-related phases leading to the achievement of a higher level objective/goal. An initiative could typically consists of a collection of related activities: workshops, seminars, research studies that are undertaken (sequentially) to achieve stated high level outcomes or a goal. In other words MYPs include a series of related activities which could otherwise be funded separately; as standalone projects. Should a decision be made to continue with MYPs, it will be important to establish a workable system to effectively manage and mitigate any risks of duplication during the initial project selection and endorsement stages.

There are limitations to the extent to which significant changes can be made to budget related aspects of projects as the need to streamline and simplify processes has to be balanced with ensuring compliance with APEC guidelines to maintain accountability and transparency. During the pilot phase, minimum changes were made to systems that were developed in 2010 with the intention of addressing shortcomings or weaknesses during the MYP review.

4. FINDINGS OF THE REVIEW – DOCUMENT REVIEW, SURVEY DATA & FOCUS GROUP DISCUSSIONS

All 12 projects in the pilot phase were included in the survey. Survey participants included internal stakeholders comprising Program Directors (PDs) and Program Executives (PEs) and external stakeholders comprising Project Overseers (POs) and Working Group/Fora Chairs. In total, 16 internal staff (PDs/PEs) who manage the 12 pilot projects, 11 POs and nine Chairs/Convenors were invited to participate in the survey. The internal stakeholders (PEs/PDs) were required to complete joint responses to the survey. Survey participants in this group also manage multiple projects. Therefore the sample size for this group is taken as nine in total. A response rate of nine out of nine (100%) was achieved for this group. The response rate for POs was nine out of 11 and four responses were received from the Chairs/Convenors. The first part of the questionnaire elicited
The review findings indicate that in aggregate, forum level strategic plans, sector specific plans (i.e. the Ease of Doing Business Action Plan) and Collective Action Plans existed at the time of project inception. All survey respondents also confirmed clear evidence of linkages and alignment between APEC strategic frameworks - which is considered a key proxy for priority.

The review findings indicate high levels of continued support for the project within the proposing forum. Evidence of continued support was defined in terms of levels of member participation in activities, the use and discussions of project outputs, adoption by economies of key processes and systems developed under projects. The level support is a reflection of the level of priority assigned to projects. Nonetheless, the absence of a negative response may reflect a selection bias.

The findings indicate that there are limited levels of cross-fora collaboration in the projects. A key criteria for MYPs was to ensure close cooperation from "a minimum of two APEC fora in the planning and implementation of the project" which was intended to foster effective cross sectoral relevance of the projects to the broader APEC agenda. Of the eight responses received from internal stakeholders, five suggested limited or no evidence of effective cross fora collaboration. Some felt that this was an area that required further work and that proper collaboration needed to extend beyond information sharing. Out of the nine external responses received, five respondents indicated somewhat limited evidence of cross fora collaboration. The rest cited examples ranging from (jointly) participating in project activities to collaborative approaches in preparing formal statements on project activities to playing active roles in policy development.

A majority of respondents indicated engagement by SOM/Committees in the project during implementation. In general the findings indicate that there is some level of engagement by SOM/Committees in the projects but there are contrary views presented by a few, which suggest that further information on the actual nature and type of engagement should be obtained through project reports to adequately evaluate whether the objectives that underpin the policy guidelines are being met. MYPs were designed to deliver strategic and high level outcomes and to ensure that a strategic focus and APEC-wide priority are maintained, the basic principles underpinning the policy criteria is that the projects are "sponsored" by SOM/Committees. Participants' views were sought on the importance of this engagement and a majority considered the engagement as adding value. In particular, having SOM/SFOM Committee level oversight was perceived as being important in placing MYPs within higher level APEC-wide priorities and goals, ensuring high level buy-in so that diverse interests within APEC can be "weighed against each other for limited funds" and "limiting the numbers of projects" (or ensuring that only quality projects were supported). However one indicated "in reality there is little linkage between the

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7 Given that each project represents a different set of circumstances, project specific responses were provided for certain questions were are referred to as 'project specific' questions.
forum and supervising Committee” during implementation. External participants were asked to select the option/s that best described levels of engagement by SOM/SFOM and Committees. Out of the nine responses received, three responses suggest an active level of engagement during project implementation. Others specified: “reviewing and/or discussing key project outputs including project documentation including technical reports” and “participating in project activities and providing (annual) updates to SOM at high level SMEWG Ministerial meetings. A couple of respondents indicated limited engagement by SOM/Committees except for forum Chairs updating SOM/Committees as per the standard requirements of CTI related fora. It was suggested that no feedback was provided by the Committee to the forum.

Findings confirm engagement by non-APEC stakeholders during project implementation however there is no clear indication of how this engagement benefits APEC. Examples were provided confirming evidence of relevance of APEC work to other organisations with representatives of the World Bank, WTO, the FAO, the UN, the Asian Development Bank, regional organisations such as ASEAN, the private sector and ABAC, relevant sector based organisations (Privacy international), participating in project activities as participants and experts and sharing lessons learned. However information about the nature and impacts of this engagement would be useful and this could be obtained through project reports.

2. Procedures and systems

BMC agreed that while MYPs will largely follow similar selection procedures as standard projects, certain modifications were needed to existing templates, procedures and arrangements to satisfy the more advanced requirements of MYPs. In 2011, amendments to templates and management procedures were made to support the roll out of the pilot MYPs. The review sought participants’ views on the administrative and management processes relating to various stages of the project cycle, project timelines and templates. The objectives of these questions were to assess if the higher level requirements of MYPs were administratively burdensome and reflected any issues raised by previously in discussions and surveys.

There is no discernible patterns to the responses to the question seeking information on the challenges faced in project design and implementation. The findings indicate that the problems stated are also not exclusive to MYPs but reflect common issues concerning all APEC projects. Participants were asked about their experiences (challenges faced) in administering the projects. (The questions asked of the two groups differ slightly with emphasis placed on internal administrative and management processes for internal respondents). The responses received from internal stakeholders were varied. Respondents selected the options “inability to utilise the allocated budget in a timely manner”, “Project Overseer unable to respond to reporting requirements”, “problems with ensuring that the project is delivered in accordance with original scope and design”, “problems with keeping to the original timelines of the project design”.

Specific responses by external respondents included (under “other challenges”) the difficulties of ensuring effective cross fora collaboration in a context where working group members carry extensive workloads, and non-travel eligible members do not have sufficient funds to participate in activities. Others include “ensuring that all requirements for co-sponsorship and sub fora engagement were met” and “ensuring that the project design was in line with MYP requirements”, “navigating the administrative challenge of overseeing the project and following the APEC Secretariat’s guide on project implementation”, difficulties in having “participants from all APEC economies to the workshops due to the distance between Asia and America”, “anticipating how project activities might evolve over the life of the project”, and “working with contractors”.

Survey findings indicate that amendments to MYP budgets, templates and budget related processes are needed. Responses highlighted issues such as the format of the MYP budget templates and the need for simplification and flexibility of the overall budget processes. Specific comments were: “budget sheet unclear”, (difficulties with) “developing the multi-year budget for the total project duration in line with APEC requirements”,

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8 Procedures and requirements detailed under Chapter 8 of the Project Guidebook.
9 The (multiple choice) questions provided were based on issues that were raised previously during the initial stages of the pilot phase.
“developing an appropriate work plan for the life of the project and estimating resources” and (the lack of) “flexibility in making adjustments to the budget in the years out as things change to what was thought to be the approach in the beginning”. In addition, other comments were: “include other line items in the template for items such as venue costs”, “budget templates should be accompanied by explanatory notes” and “encouraging rougher estimates for out-years since APEC meeting venues/associated costs are uncertain” were. Suggested amendments to MRs and CRs included: to “state clearly that the required information of participants is the project funded participants only or all participants including self-funded attendees”.

**Introducing flexibility to the administration of budgets was also identified as a clear need by internal respondents.** Specific suggestions included devolving the responsibility for approving reprogramming requests and budget amendments to Program Directors (to expedite processes), introducing more flexibility in budget administration processes (“POs to submit a request for release of funds after all events are completed”), in relation to approving reprogramming unspent funds. In addition participants highlighted the need for standardising project timelines, undertaking post event surveys by the Secretariat (beyond the PO generated post-event surveys) and seeking experts/speakers’ views of project events.

**Responses on how project timelines were defined varied greatly indicating that there was no standard approach on how project years were defined across the 12 activities.** What was surprising in some cases was that the definitions used by the Secretariat and the PO relating to the same project, were different. Definitional issues have led to confusion about project budgets and estimates. While making allowances to how the question and options may have been interpreted, this infers that instituting a common (standard) definition for all projects is critical for standardising project systems.

**Findings reveal that all projects are well on track to achieve the proposed deliverables.** It is important to highlight an instance of one project being extended by one year to undertake further activities to promote sustainability and impact. The additional funding will be covered by externally sourced funds (self-funding from members and private sector sources).

### 3. Project funding issues

BMC agreed that multi-year projects may be funded from any APEC Project fund and that funding will be released on an annual basis with multi-year projects receiving priority in each fund’s annual allocation. It was also agreed that funds will be disbursed through the August Monitoring Report. In this regard, information on budget expenditures (the level of utilisation of allocated budgets), views on whether MYPs should be given funding priority over standard projects, views on the August Monitoring Reports (MRs) as a suitable trigger for the disbursement of funds, and the management of future funding for MYPs and budget ceilings for MYPs were sought through the surveys.

**The findings are generally positive about budget utilisation.** A majority of internal respondents indicated that the approved budget will be utilised upon project completion. Four out of nine external stakeholders indicated that 100% of the allocated budget will be utilised upon project completion. Others indicated lower amounts and some were unsure about the quantum to be utilised due to uncertainty about future uptake of project activities and increased levels of self-funding.

**A majority of respondents considered the MR as a suitable trigger for the release of project funds.** A majority of respondents felt strongly that this approach was suitable. Useful information was gathered from internal respondents on this topic. Some of the respondents felt that it was a challenge to provide details about the budget for the subsequent year while activities for that year were ongoing at the time of reporting (in August) and suggested “scheduling the annual monitoring report within two months after all activities in a particular year have been completed”. Others also found the timing of the MR in August each year to be out of sync with project work-plans and timelines thus impacting on the quality of reporting and budget estimates for the subsequent

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10 It is important to note that this is not to pre-empt any decisions by BMC or SOM on the future of MYPs.
year. The findings point to the need to adjust the timing of the MRs together with changes to how the ‘project year’ is defined/interpreted.

A review of annual project monitoring reports over the past two years reveal that the annual reports are not fully utilised as management tools by managers. In some cases the reports lack sufficient detail on how outputs are utilised or replicated, levels of uptake and participation by members and the nature of collaboration between APEC and other non-APEC entities during implementation. This problem has been flagged in previous summary reports to BMC however the process is in need of improvement if the reports are to be utilised effectively as management tools.

The findings indicate that the internal system in place for checking project expenditures can be standardised and streamlined. The difficulties in managing this process was discussed at the focus group meeting. Further analysis is required to examine the type and level of improvements needed to further streamline and standardise the system to ensure that accurate information is sourced and reported to BMC.

There is widespread support for MYPs continuing to receive funding priority over standard projects by respondents. In the pilot phase, multi-year projects were granted priority over standard projects within APEC’s annual project funding allocations with ongoing MYPs also given preference in the subsequent years’ allocations. While the survey question aimed at seeking external participants’ views on whether this process is appropriate the question also aimed at (indirectly) assessing the level of support for MYPs. This reflects that the level of support for MYPs is high, however this may also indicate some bias. Limited responses were received from internal participants to this question. One respondent indicated that funding priority should be based entirely on quality aspects of projects, another proposed supporting fewer MYPs and to “give incentives to have more funding from economies in the form of a special MYP account”.

The selection process for MYPs used during the pilot phase would need to be revisited to ensure that the best quality, highest priority projects are selected for funding. Due to the small number of MYPs being developed during the past three years and the requirement to select three MYPs per session, the selection process was not as robust as that of standard projects. Should a decision be made to continue with MYPs, attention needs to focus on improving the system to ensure that the best quality, highest priority projects that aim to deliver high level outcomes are selected for funding. A separate selection process for MYPs was undertaken during the pilot phase. The consultant is of the view that conducting two separate selection processes for standard projects and MYPs increases the administrative burden on the Secretariat and careful consideration should be given to whether this process should be continued.

Respondents’ choices of options to best manage future funding for MYPs to ensure sustainability does not offer a clear picture to form judgements about preferences. Two of the three Chairs selected: “limiting the funding for MYPs to a targeted funding source”. One selected “capping the total value to less than the current ceiling for MYPs”. POs mainly selected the option of: “capping the total value to less than the current ceiling”, and others selected “capping the number of MYPs to be supported to a maximum of one or two projects per year”. In terms of the responses to capping project values, two suggested capping the value at $350,000; one suggested $400,000 and the other recommended the ceiling for a three year project kept at $300,000, a four year project at $400,000 and a five year project at $500,000. Two others chose the option to increase co-funding thresholds but indicated a preference for a lower threshold than 75% of total project value.

A focus group meeting was held at the Secretariat with survey participants, and representatives of the PMU and the Finance unit, to discuss the review findings and proposed recommendations. Issues discussed related to definition of project timelines, changes to the reporting requirements, funding issues and internal project administration systems. While there was agreement that the proposed amendments were largely feasible, it was also acknowledged that changes to current systems are likely to have resource implications. For example, participants recognised the merits of making changes to the definition of project timelines and standardising this process, but it was also acknowledged that this would require changes to be made to current budget allocations and future estimates that would be resource intensive. Participants also acknowledged the limitations of the review and agreed with the recommendations that any decisions pertaining to the future directions of MYPs beyond the pilot phase will require conducting a comprehensive effectiveness review or an ex-post evaluation to assess issues such as relevance, efficiency, effectiveness, sustainability and impact and most importantly examine if MYPs satisfy the requirements of being high level and strategic. Participants also agreed that decisions on continuing with MYPs should be informed by an assessment of the ability to guarantee secure,
predictable and sustainable funding levels that are required for longer term projects. The discussions also highlighted the complexity of the management arrangements involving MYPs and the resulting resource implications.

5. CONCLUSIONS & RECOMMENDATIONS

The review concludes that changes need to be made to the existing project management and administration systems to achieve the expected outcomes. Some of these changes are likely to have resource implications. Furthermore, some weaknesses have been identified that may impede the effective achievement of the principles that underpin the policy framework and criteria. The review also concludes that there are a range of higher order issues that need to be addressed in order to make any informed decisions about the future directions of MYPs, beyond the pilot phase. These are beyond the scope of this review, as the review was limited to assessing the adequacy of the policy guidelines, implementation framework, systems and processes developed for the implantation of the pilot phase of MYPs.

Strengthening policy guidelines – higher level policy recommendations

The consultant recommends that an ex-post evaluation focusing on assessing the effectiveness and impacts of projects be conducted upon completion of all 12 projects in 2018, as decisions regarding the future of MYPs should be based on clear evidence of the extent to which MYPs are strategic, high level and capable of supporting enhanced capacity building outcomes within APEC. Due to the scope of the review, arriving at definitive responses to a number of high level policy issues was not possible. Specifically, questions as to whether MYPs should be the “exception or the norm”, or the optimum mix of standard and MYPs and the total volume of projects to be funded per annum, cannot be addressed at this juncture and would be best addressed during a broader impact assessment or ex-post evaluation of the pilot projects.

1) **Recommendation:** That an ex-post cluster evaluation of MYPs be undertaken after the completion of the 12 projects to inform future directions for MYPs. This assessment should assist in informing any decisions regarding the numbers of MYPs to be supported and the appropriate mix of standard and multi-year projects.

The review concludes that the interpretation, adoption and the use of MYP guidelines and criteria can be further improved to achieve the overarching aims that underpin the policy framework supporting MYPs. This applies specifically to the criteria seeking the high level engagement and participation of SOM/Committees in project planning and implementation to ensure that the strategic/high level APEC-wide focus of MYPs is maintained.

2) **Recommendation:** That steps be taken to increase the level of engagement of SOM/Committees in project planning and implementation to ensure that projects’ strategic focus and alignment with APEC-wide priorities are maintained. The level and scope of this engagement will need to be decided by the PO on a case-by-case basis.

The review concludes that the administration and management of the MYP modality is more resource intensive than that of standard projects as MYPs require higher standards. While simple, practical changes to templates and processes can be undertaken to minimise the administrative burden, the decision whether MYPs should be continued as a viable project modality should involve careful consideration of the overall resource implications.

3) **Recommendation:** That an assessment of the resource implications of managing the MYP modality be undertaken as part of the ex-post evaluations of projects to inform any decisions about the future directions of MYPs.
The review concludes that there is **potential risks of duplication between standard projects and MYPs** which need to be addressed to ensure the efficient use of scarce project funding. There are a few examples of standard projects which reflect the same objectives as those of MYPs and the review sees this as a significant risk for the efficient use of project funds.

4) **Recommendation:** That a clear process to mitigate any risks of duplication between MYPs and standard projects be established. This may involve a brief statement by the PO in the project cover sheet confirming that measures have been taken to mitigate potential risks of duplication between standard projects and MYPs supported by the forum.

**Strengthen procedures and procedural recommendations**

The review findings indicate that cross fora collaboration is weak and there is limited information available on the levels of engagement by non-APEC stakeholders during project planning and implementation. Active collaboration by non-APEC fora during project implementation can deliver positive outcomes in terms of opportunities to build on work already undertaken by external agencies and the ability to leverage funding. Cross fora collaboration also ensures that APEC-wide relevance and strategic priority is maintained and that there are opportunities to promote coherence across many of APEC’s policy areas. Given the survey responses and the information contained in project reports, the review concludes that further inquiry is warranted to examine what constitutes “effective” cross fora collaboration and examine practical options for strengthening this aspect. In addition, exploring the possibility of replicating some of the collaborative approaches that have resulted in positive outcomes, could be useful.

5) **Recommendation:** That details of collaborative efforts and evidence of cooperation by APEC fora and non-APEC stakeholders during project planning and implementation be collated as part of the project reporting requirements (Refer to Annex D). It is recommended to better define the terms of ‘close cooperation’ and ‘engagement’ by non-APEC fora in the APEC Guidebook or in the templates as ‘notes’.

**Stakeholders consider the Monitoring Report as a suitable trigger for the release of annual project payments.** However the review concludes (following the review of MRs from the past two years) that the reporting framework falls short of functioning as an effective management tool to assess project progress and impact.

6) **Recommendation:** That the use annual Monitoring Reports as the trigger for payments be continued.

7) **Recommendation:** That steps be taken to strengthen the value and utility of the MR as a management tool.

The review concludes that standardising MYP project timelines and revising the submission timeframes for MYP annual monitoring reports will result in achieving significant administrative efficiencies. Coordinating the reporting timelines with year-end financial processes may also lead to obtaining more accurate budget estimates. However discussions with internal stakeholders revealed that any changes to existing definitions of project ‘years’ are likely to have resource implications as the budget estimates and allocations may need to be revisited to accommodate these changes. Therefore this issue may warrant further discussion. It is important to note that this is an area where changes can bring about significant administrative efficiencies.

8) **Recommendation:** That a standard definition of project years by defining the MYP project year in terms of a calendar year be taken. This may need to be preceded by an assessment of the likely resource implications of making relevant amendments to the current budgetary allocations and estimates to accommodate the proposed changes.

9) **Recommendation:** That the submission deadline for the MR be changed from August to December.

A common challenge identified by external stakeholders involve **MYP budgets, budget templates and the need simply process.** A review of the budget template was undertaken in light of these comments. The review notes

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11 The covering email sent out to forum members’ by the PD during the project endorsement stages could also include this statement.
that changes to budget templates can simplify processes. One option would be to provide less details of the breakdown of subsequent years of a project in the concept note with a detailed breakdown (expenditure and estimates) provided in each annual MR for consideration by the Secretariat and BMC. (Needless to say there are limitations to what can be changed with regards to budgets as APEC budget guidelines and requirements are in place to ensure the efficient and accountable use of APEC project funds). This would apply mostly to any new MYPs, should a decision be made to progress with the modality. Given the duration of these projects and the practical difficulties in estimating accurate estimates for out-years, budget amendments and reprogramming requests are frequent. Therefore simplifying the processes for approving changes to amendments in budgets and work-plan if these changes do not impact on the scope and objectives of the project, would result in achieving significant administrative efficiencies. The Secretariat may wish to consider amending existing internal systems for approving reprogramming requests and budget amendments to achieve further efficiencies.

10) **Recommendation:** That internal processes for approving reprogramming requests and budget amendments for MYPs during the pilot phase be streamlined further.

11) **Recommendation:** That approvals of changes to budget line items for project out-years (if these changes do not alter the scope of project) be simplified and streamlined further.

**Should a decision be made by BMC and SOM to continue with MYPs beyond the pilot phase, undertaking a single selection process for both project approaches is recommended to improve competition.** During the pilot phase, a separate selection process was instituted for MYPs to ensure satisfactory compliance with the selection criteria and to accommodate the higher standards required of MYPs. POs were given 3 months to develop proposals. Managing two separate processes for MYPs and standard projects proved to be resource intensive. Having one process for both modalities is recommended as this will result in both standard projects and MYPs submitted together as part of one selection process for prioritisation and ranking. The approach will not only minimise the administrative burden on the Secretariat but most importantly promote a more robust competitive process which would result in selecting projects that are of the highest quality and highest priority and would be able to deliver the most impact in terms of capacity building needs.

12) **Recommendation:** If the decision is made to continue with MYPs, that a single/common selection process be instituted for both MYPs and standard projects to promote a more competitive selection process and to minimise the administrative burden.

**Funding arrangements and recommendations**

The review concludes that any decision to continue with MYPs should be based on the availability of a secure, sustainable and predictable source of funding, therefore careful consideration needs to be given to potential options for funding MYPs. The initial analysis of the MYP approach (2009/10) recommended against setting aside the total amount of funding commitments for MYPs at the time of approval. However this was the practice adopted for the duration of pilot phase to guarantee the effective completion of the pilot. It was suggested at the time of the feasibility assessments, that if funds in TILF or ASF are insufficient to cover the ongoing costs of MYPs, the project would be funded under the General Project account. The review considers that given the nature of the General Project Account which is “funded from annual member contributions” funds available under this mechanism would be relatively secure and predictable.

13) **Recommendation:** That any decision to continue with MYPs as a project modality be based on an in depth assessment of the sustainability and predictability of funding sources to support longer term, multi-year initiatives.

14) **Recommendation:** That the potential of supporting MYPs under the General Fund Account be examined as this fund satisfies the criteria of sustainability and predictability.

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### ANNEX A – LIST OF MULTI-YEAR PROJECTS

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Title</th>
<th>Project Year</th>
<th>Sponsoring Forum</th>
<th>Sponsoring Economy</th>
<th>APEC Funding</th>
<th>Funding Source</th>
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<tbody>
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<td>1</td>
<td>Building Convergence in Food Safety Standards and Regulatory Systems</td>
<td>2012</td>
<td>Sub-Committee on Standards and Conformance (SCSC)</td>
<td>Australia; China; United States</td>
<td>$498,225</td>
<td>ASF HSS</td>
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<td></td>
<td>Livelihood Development and Resilience with ICTs</td>
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<tr>
<td>3</td>
<td>APEC Ease of Doing Business Multi-Year Project</td>
<td>2011</td>
<td>Economic Committee (EC)</td>
<td>United States</td>
<td>$403,500</td>
<td>ASF Gen</td>
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<tr>
<td>4</td>
<td>APEC Cross Border Privacy Rules System Implementation and Administration</td>
<td>2011</td>
<td>Electronic Commerce Steering Group (ECSG)</td>
<td>United States</td>
<td>$487,967</td>
<td>TILF</td>
</tr>
<tr>
<td></td>
<td>Assistance</td>
<td></td>
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<td>5</td>
<td>Business Ethics Capacity Building for SMEs in the Medical Devices,</td>
<td>2011</td>
<td>Small and Medium Enterprises Working Group (SMEWG)</td>
<td>United States</td>
<td>$456,712</td>
<td>ASF Gen</td>
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<td></td>
<td>Construction and Bio-Pharmaceutical Sectors</td>
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<tr>
<td>6</td>
<td>Improving Natural Disaster Resilience of APEC SMEs to Facilitate</td>
<td>2011</td>
<td>Small and Medium Enterprises Working Group (SMEWG)</td>
<td>Chinese Taipei</td>
<td>$399,502</td>
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<td>7</td>
<td>Enhancing Logistics Performance through Training and Networking for</td>
<td>2012</td>
<td>Committee on Trade and Investment (CTI)</td>
<td>China</td>
<td>$498,025</td>
<td>TILF</td>
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<td></td>
<td>APEC Local / Regional Logistics Sub-Providers</td>
<td></td>
<td></td>
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<tr>
<td>8</td>
<td>Capacity Building Workshops on Designing Best Models on Prosecuting</td>
<td>2012</td>
<td>Anti-Corruption and Transparency Experts Working Group (ACTWG)</td>
<td>Chile: Thailand</td>
<td>$430,300</td>
<td>ASF Gen</td>
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<td></td>
<td>Corruption and Money Laundering Cases Using Financial Flow Tracking</td>
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<td></td>
<td>Techniques and Investigative Intelligence for Effective Conviction and</td>
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<td></td>
<td>Asset Recovery</td>
<td></td>
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<td>9</td>
<td>The Role of Standards and Conformity Assessment Measures in Enhancing</td>
<td>2012</td>
<td>Sub-Committee on Standards and Conformance (SCSC)</td>
<td>United States</td>
<td>$330,475</td>
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<td>the Performance and Energy Efficiency of the Commercial Building</td>
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<td>Sector</td>
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<tr>
<td>10</td>
<td>Global Medical Product Integrity and Supply Chain Security -</td>
<td>2012</td>
<td>Life Sciences Innovation Forum (LSIF)</td>
<td>United States</td>
<td>$497,500</td>
<td>TILF</td>
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<tr>
<td></td>
<td>Development of a Roadmap, Workshops, Guidance Documents and Toolkits</td>
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<td></td>
<td>Supply Chain</td>
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ANNEX B – TERMS OF REFERENCE

Consultancy to conduct a review multi-year capacity building projects in APEC

Objective

The objective of the consultancy is review, and makes appropriate suggestions to strengthen APEC’s approach to supporting multi-year capacity building projects for consideration by the APEC Budget and Management Committee (BMC) in 2014.

Background

Capacity building projects are a vital element of APEC’s efforts to achieve sustainable economic growth and prosperity in the Asia-Pacific region. Projects provide the opportunity for APEC members to share ideas and experiences, and learn best practice in promoting free and open trade and investment. They complement and give practical application to APEC’s agreed policy goals of accelerating regional trade and economic integration, encouraging economic and technical cooperation and facilitating a favourable and sustainable business environment. Projects also strengthen relationships and networks between APEC members. As such, projects help to translate APEC’s policy goals into concrete results and agreements into tangible benefits.

APEC’s goals can take many years to accomplish, however APEC’s capacity building projects have traditionally been short-term in nature, consisting of one-off seminars or workshops, analytical research, development of databases or websites, etc. These projects are important, however their short-term nature has often meant it is difficult to determine whether they have led or contributed to effective and sustainable outcomes. APEC has identified that longer-term (multi-year) projects are one mechanism that can help to meet its goals more effectively.

In 2008, APEC Ministers highlighted the importance of promoting a more strategic, longer term approach to capacity building in APEC - please refer to SOM 2008/BMC3/014. Subsequently, SOM approved a policy approach to support more strategic, higher value, multi-year projects in 2010.

In 2010, APEC’s Budget and Management Committee (BMC) approved policy guidelines, procedures and transitional arrangements to support implementation of multi-year projects. The guidelines and procedures specify a different (often higher) standard that multi-year projects should meet (compared to short-term projects, for example in relation to self-funding levels, the involvement of APEC fora, engagement with non-APEC stakeholders, links to strategic plans, and co-sponsorship).

The BMC agreed that 12 multi-year projects would be implemented as a pilot and that these would be subsequently reviewed to assess the effectiveness and efficiency of the guidelines and procedures. APEC is continuing to implement both multi-year projects selected under the pilot and short-term projects while the multi-year pilot is taking place.

During the pilot implementation, funding for multi-year projects is approved for the subsequent year of the project (as in standard projects), even though the projects receive in-principle approval for the total duration of the activity, which in some cases are up to five years. At BMC2 in June 2013, it was stated that the existing funding arrangement for multi-year projects would be considered during the review. This aspect will also be considered alongside the modus operandi for setting aspirational targets for voluntary contributions from members and capping the value of projects approved per year/session. Both these issues will be considered at the BMC meeting to be held in February 2014.

Small Working Group on Effectiveness

A Small Working Group on Effectiveness (SWGE) has been established under the BMC to provide strategic direction to support APEC’s efforts to improve project management. This group was involved in the development of the framework to guide APEC project evaluations in 2012. The Secretariat anticipates the active engagement of the SWGE in the proposed multi-year project review process.

The proposed review of multi-year projects will be undertaken in the context of the other project reform work progressed by BMC to date. This includes the work on instituting a framework for evaluating APEC projects which was completed in 2013. Other relevant
reforms include work on streamlining project selection, improving the predictability of funding and the work done under SCE to improve the strategic focus of APEC capacity building activities.

Scope of the project

1. Review, and make appropriate suggestions to strengthen, policy guidelines that are being piloted to enable APEC members to develop multi-year project proposals that:
   - address APEC’s longer-term priorities
   - demonstrate strong alignment with fora level (working group/sub fora) strategic plans and medium term work plans
   - are well designed in scope and content
   - provide value for money
   - deliver wide-ranging, clearly defined and sustainable benefits for participants and beneficiaries.

2. Review, and make appropriate suggestions to strengthen, procedures that are being piloted to enable the APEC Secretariat to implement multi-year projects, including:
   - The process for selection of projects
   - Appropriate funding procedures
   - monitoring mechanisms, including grounds for termination
   - evaluation procedures

3. Review the funding arrangements for multi-year projects and the capacity of APEC to fund multi-year projects on a regular basis, and make recommendations on an appropriate mix of single-year and multi-year projects to be funded.

Methodology

i. Prior to the commencement of the review, the consultant should gain a thorough appreciation of the context, rationale, desired outputs and outcomes, implementation methodologies, program management, funding mechanisms, monitoring and evaluation, and major issues associated with the delivery of multi-year projects in APEC. In particular the consultant will review key documentation and have discussions with APEC Secretariat staff to gain a sound appreciation of the issues relating to these projects.

ii. Following the stakeholder consultation process the consultant will draft a review plan in consultation with the APEC Secretariat. The plan will describe the approach to be followed, proposed timelines and provide an indicative report structure. The review plan will be approved by the APEC Secretariat prior to work commencing. The plan should include, but not be limited to:
   a. Desk research and analysis: this is including but not limited to: the policy guidelines and procedures governing multi-year projects approved by BMC (as detailed in BMC papers and the Guidebook); project proposals and relevant supporting documentation for the pilot activities; monitoring reports and the summary reports prepared by the Secretariat for BMC;
   b. Consultations with external stakeholders: this is including but not limited to: the BMC Small Working Group; project overseers from the various economies implementing APEC multi-year projects; representatives of fora including Lead Shepherds, Convenors and Chairs from the respective working groups that are sponsoring the projects; and members who have participating in project events; and
   c. Consultations with APEC Secretariat staff: including PMU staff; staff from the Finance unit and relevant PDs responsible for Committee and working groups/sub fora.

iii. Following approval of the plan with the APEC Secretariat, the consultant will undertake the review.

iv. Following completion of the review the draft review report including any recommendations will be provided to the APEC Secretariat and the BMC Small Working Group for comment, prior to a final review being submitted to the BMC.

Deliverables
i. **A review plan:** The plan will contain details describing the approach to be followed by the consultant to conduct the review. This will include the proposed timelines; scope of the review and reporting requirements - including an indicative report structure to be provided to the APEC Secretariat two weeks after the commencement of the consultancy. The review plan will take into consideration how to address the list of issues compiled by the Secretariat during the implementation of the pilot activities.

ii. **A draft review report including proposed recommendations.** This will be no longer than 10 pages, including any annexes, and will incorporate the outcomes of consultations with the Secretariat staff and other stakeholders. It will be provided to the APEC Secretariat and SWGE for comment, prior to a final review being submitted to the BMC. The draft will be provided three months after the commencement of the consultancy. The consultant will incorporate comments/feedback on the draft paper from SWGE members with the intent to finalise the methodology and criteria.

iii. **A final review report including proposed recommendations.** This will incorporate comments/feedback on the draft review from the APEC Secretariat and SWGE members. It will be no longer than 10 pages, including any annexes, and will be provided four months after the commencement of the consultancy.

iv. **A presentation** on the final review to a meeting of BMC, as required.

**Key documents to review**

a) Guidebook on APEC Projects (Edition 9 – Chapter 8 and other relevant sections pertaining to project implementation).

b) BMC papers on implementing Multi-Year Projects (2008/09/10)

c) Key documentation relating to relevant forums’, working groups’ and sub fora – Strategic Plans, Collective Action Plans, mid term plans.


e) Relevant documentation relating to the evaluations of APEC projects (relevant BMC papers from 2011 as well as the consultancy report from 2013).

f) PMU Effectiveness Review report 2013.
ANNEX C – QUESTIONNAIRES

QUESTIONNAIRE – APEC SECRETARIAT STAFF

Welcome to the survey to inform the independent review of Multi-Year Projects. This survey is to be completed jointly by the Project Director and Program Executives.

1. Please state the project title, value, duration and the name and contact details of the Project Overseer.

Title:

Duration and value (USD):

Project Overseer’s name and contact details (email)

2. At the time of project approval, did the originating forum for this project have an approved Strategic Plan or a Medium term plan in place?

☐ Yes    ☐ No

If Yes, please indicate when (which year) the Strategic Plan or Medium Plan was developed and how the project demonstrated a clear link to the forum’s Strategic or Medium term plans. (Strategic Plans are only applicable to SCE fora).

If no, please state what other planning frameworks were in place in the absence of a Strategic Plan or a Medium Term plan.

3. In your view, is there continued support for the project within the originating forum?

☐ Yes    ☐ No

If Yes, please provide further details on how this support is demonstrated. (In responding to this please you may wish to consider if the project outputs, progress and outcomes are discussed at forum meetings; to what extent project outputs such as key reports are disseminated and discussed; and how the project outputs are used to inform other project and related capacity building activities)
4. The policy framework for MYPs require close cooperation from a minimum of two APEC fora in project planning and implementation. In your view, has this project demonstrated effective cross-fora collaboration?
   □ Yes    □ No
   If yes please provide details of the nature of engagement by other fora during project design and implementation.


5. In keeping with the requirement that only SOM, Committees and SFOM are able to propose MYPs, please provide details (if known) of the process the PO followed for obtaining Committee/SFOM level endorsement for the project/s prior to submission.


6. In your view, do you think that there any value added in ensuring that MYPs are proposed by SOM, Committees or SFOM?
   □ Yes    □ No
   If Yes, please indicate why and if no, please provide details on how you think this process could be improved in the future.


7. In keeping with the requirement that there must be evidence of relevant external stakeholder engagement in MYPs, to your knowledge, has there been any active involvement of non-APEC stakeholders and ABAC in the project during implementation?
   □ Yes    □ No
   If Yes, please choose from the following list to indicate which agencies/institutions are involved.
   □ ABAC
   □ World Bank
   □ Asian Development Bank
   □ ASEAN
   □ WCO
   □ Academia
   □ Others (please list)
8. In your view, is the project on track to achieve the proposed deliverables?

☐ Yes ☐ No

If No, please indicate why.

9. What have been the primary challenge/s in implementing the project? [Select as many as appropriate]

☐ Obtaining endorsement by fora members
☐ Inability to utilise the allocated budget in a timely manner
☐ Problems with keeping to the original timelines of the project design
☐ Problems with ensuring that the project is delivered in accordance with the original scope and design
☐ Problems with ensuring effective engagement with other APEC fora and non APEC organisations
☐ Project Overseer unable to respond to APEC Secretariat's reporting requirements and budget information
☐ None of the above
☐ Other _______________________________________________________

10. Are there specific changes you would like to suggest to existing administrative and management processes for MYPs to make the process more streamlined?

☐ Yes ☐ No

If Yes, please provide details below.

11. Multi-year project timelines (project years) have been categorized and interpreted differently, leading to confusion about annual budgets. Please tick the relevant box below to reflect how you as the PO define each year of the project. [Please note that there is no right answer but your responses will determine the best way to manage this issue going forward].

☐ Year 1 defined as the calendar year (for example if the project was approved on 1 January 2013, Year 1 is defined as 1 January – 31 December 2013)
☐ Year 1 defined as the year the project activities commenced (for example if the project was approved in January 2013, but activities commenced on 10 January 2014, Year 1 is defined as 10 January 2014 – 31 December 2014).
☐ Year 1 is defined as 12 months from the date of commencement (if the project commenced implementation on 10 January 2013, Year 1 is defined as 10 January 2013 to 09 January 2014)
☐ Year 1 is defined as 12 months from the date of approval (for example if the project was approved on 10 January 2013, Year 1 is defined as 10 January 2013 to 9 January 2014)
☐ Year 1 is defined as starting on the date the project is approved and ending on 31 December the following year (for example if a project is approved in February 2013 year 1 is defined as February 2013 to December 2014). This is the practice observed for standard APEC projects.
☐ None of the above
12. In your view is it likely that **project funds** allocated for the project will be fully utilised upon completion?
   - Yes
   - No

   If no, please indicate why.

13. Funding for MYPs is approved on the basis of the Secretariat’s approval of the annual Monitoring Report. In your view, is the Monitoring Report a **suitable trigger** for the release of funds?
   - Yes
   - No

   If No, please provide reasons and suggest alternative options.

14. How do you go about checking project expenditures during the annual monitoring cycle in August for reporting purposes for the PMU? Please tick the appropriate box. **Do you:**
   - Rely primarily on details of expenditure provided by the PO?
   - Obtain project expenditure details from the internal system (PJC)?
   - Keep a manual tally of expenditures and cross reference this with information provided by the PO?
   - Consult the Finance team when compiling budget related expenditures?
   - All of the above
   - None of the above.

Please provide additional details below on the process you follow with regards to budget reconciliations.
15. MYPs are currently given funding priority within the relevant funds’ annual allocations with existing funding commitments for ongoing MYPs also given preference in the subsequent years’ annual fund allocations. Do you believe that giving funding priority to MYPs result in an absence of funds for standard projects?
   □ Yes   □ No
   If Yes, please indicate what other options could be considered for funding MYPs.

16. Please provide any other general comments on MYPs you may consider relevant or useful to this review exercise, and should be taken into account by PMU/BMC.

Thank you for taking the time to complete the survey. We appreciate your efforts in participating in this.

Your responses are important and will serve to inform the overall recommendations from the review.
Welcome to the survey to inform the Review of APEC Multi-year Projects. Please answer all the questions in the survey. If the questions seem unclear please email me on: nadira.mailewa@yahoo.com.au. Your participation in this survey is important as your responses will inform the recommendations for any amendments to the MYP processes.

1. Please provide the title of the Project and its value and duration. Please also indicate the name of your working group/forum.
   - Project title: _________________________
   - Value (USD): ________________________
   - Duration: ___________________________
   - Originating forum: ___________________

2. Please indicate your role/position by selecting one of the options provided below. Note that “Other” refers to anyone who has been nominated to undertake this survey on behalf of the PO or Chair/Convener/Lead Shepherd.
   - Project Overseer
   - Forum Chair/Lead Shepherd/Convener
   - Other

3. At the time of project approval, did the originating forum for this project have an approved Strategic Plan in place to define the group’s strategic priorities?
   - Yes  □ No  □ Other planning frameworks

   If yes, please indicate when (which year) the Strategic Plan was developed and how the project demonstrated a clear link to the forum’s Strategic or Medium term plans. (Strategic Plans are only applicable to SCE fora).

   ______________________________________

   If other planning frameworks were in place, please provide details.

   ______________________________________
4. In your view, is there **continued** support for the project within the originating forum?

☐ Yes ☐ No

If yes, please provide additional details on how this support is demonstrated. (In your responses you may wish to consider whether project progress and outputs are discussed at forum or committee level meetings, whether the project outputs (including technical reports) are disseminated at fora meetings or to other groups, if project outcomes are used to inform future projects and influence planning and whether the project is viewed as an effective approach to support capacity building efforts within the forum).

__________________________________________________________

5. In your view has there been effective cross fora collaboration during the design or implementation stages of the project?

☐ Yes ☐ No

If yes please provide details of the collaborating fora/working groups and how they have been engaged during implementation. If no, please provide details.

__________________________________________________________

6. In keeping with the requirement that only SOM, Committees and SFOM are able to propose MYPs, please provide details of the process you/and your forum members followed for obtaining Committee/SFOM level endorsement for the project prior to submitting it to the Secretariat? [This question is relevant to Project Overseers]

__________________________________________________________

7. Please indicate if Committees/SFOM/SOM have been engaged in the project during implementation?

☐ Yes ☐ No

If no please provide reasons

__________________________________________________________

8. If the answer to Q7 is yes, please select from the options provided below, that best represent the level and nature of the engagement.

☐ Reviewing and/or discussing key project outputs including project documentation (i.e technical reports)
☐ Approving or discussing key outputs to ensure relevance to and alignment with higher level APEC policy priorities
☐ Participating in project activities (workshops/seminars/research activities etc)

__________________________________________________________

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9. Has there been engagement of non-APEC stakeholders and/or ABAC in the project during implementation?
   □ Yes   □ No   □ Not applicable

10. If the response to Q9 is yes, please choose from the following list to indicate which agencies/institutions are involved.
   □ ABAC
   □ World Bank
   □ Asian Development Bank
   □ ASEAN
   □ UN Organisations
   □ WTO
   □ Academia
   □ Others (please list)

11. To the best of your knowledge, is the project on track to achieve the proposed deliverables?
   □ Yes   □ No   □ Unsure
   If no or unsure, please indicate why.

12. What were the challenges you faced during the early stages of project preparation? [Select as many as appropriate from the options provided below. This question is mostly relevant to Project Overseers]
   □ Ensuring that project objectives demonstrated a clear link with the originating forum’s strategic priorities or broader APEC policy goals
   □ Ensuring that all requirements for co-sponsorship and sub-fora engagements were met
   □ Ensuring that the project design was in line with all the requirements for MYPs (a phased multi-year approach)
   □ Developing the multi-year budget for the total project duration in line with APEC requirements
   □ Developing an appropriate workplan for the life of the project and estimating resources
   □ All of the above
   □ None of the above
   □ Other challenges _______________________________________________________

13. Are there any specific changes you may wish to propose to current administrative and management processes for MYPs to make the process more streamlined? In responding to this question, you may wish to consider various aspects of the APEC project cycle and processes relating to seeking project endorsements and approvals, budget development, project monitoring and evaluation, project reporting requirements etc.
   □ Yes   □ No
14. Would you wish to propose any refinements or amendments to existing MYP templates listed below?
   □ Yes   □ No

   If yes, please indicate the relevant templates from the options provided and state reasons for requiring amendments to the templates.
   □ Multi year Project Concept Note template
   □ Multi year Project Proposal template
   □ Multi year Project budget template
   □ Multi year Project Monitoring report template
   □ Multi year Project Completion report template

   Please state the reasons for the amendments proposed

15. Multi-year project timelines (years) have been categorized and interpreted differently by stakeholders. Please tick the box that best describes how each year of the project is defined.
   □ Year 1 defined as the calendar year (for example if the project was approved on 1 January 2013, Year 1 is defined as 1 January – 31 December 2013)
   □ Year 1 defined as the year the project activities commenced (for example if the project was approved in January 2013, but activities commenced on 10 January 2014, Year 1 is defined as 10 January 2014 – 31 December 2014).
   □ Year 1 is defined as 12 months from the date of commencement (if the project commenced implementation on 10 January 2013, Year 1 is defined as 10 January 2013 to 09 January 2014)
   □ Year 1 is defined as 12 months from the date of approval (for example if the project was approved on 10 January 2013, Year 1 is defined as 10 January 2013 to 09 January 2014)
   □ Year 1 is defined as starting on the date the project is approved and ending on 31 December the following year (for example if a project is approved in February 2013 year 1 is defined as February 2013 to December 2014). This is the practice observed for standard APEC projects.
   □ None of the above
   □ Other definitions (please provide details).

16. What proportion (percentage) of the approved and allocated budget do you anticipate will be utilized upon project completion?
   □ 100% □ 90% □ 80% □ 70% □ Unsure □ Other

   Please provide details if the response is ‘other’.
17. MYPs are currently granted **funding priority** over standard projects within APEC’s annual funding allocation for projects. Ongoing multi-year projects are also given preference in subsequent years’ allocations. In your view, should multi-year projects get priority over standard projects? [please note that the decision to continue with multi-year projects as a project modality beyond the pilot stage will be subject to BMC’s decisions].

□ Strongly disagree    □ Disagree    □ Neither disagree nor agree □ Agree □ Strongly agree □ N/A

If the response is ‘strongly disagree’ or ‘disagree’ please provide reasons.

18. Approval of annual budgets for multi-year initiatives is undertaken on the basis of the Secretariat’s and BMC approval of the annual multi-year project Monitoring Report. In your view, is the annual Monitoring Report a suitable trigger for the release of funds?

□ Strongly disagree    □ Disagree    □ Agree nor Disagree □ Agree □ Strongly agree

If you selected ‘strongly disagree’ or ‘disagree’, please provide reasons.

19. The Secretariat through BMC has been engaged in discussions on how best to manage the problem of decreasing APEC project funds. The demand for project funds exceeds funds availability in all untied funding sources (i.e ASF, TILF and the OA). Please select the option that best reflects your views on how to manage future funding for MYPs to ensure sustainability of project funding.

□ Capping the number of MYPs to be supported to a maximum of one to two projects each year
□ Limiting the value of a multi-year project to less than the current ceiling (which is USD500,000)
□ Limiting the funding for MYPs to a targeted funding source (options could include a dedicated sub fund)
□ Increasing the minimum co-funding levels to 75% of project funds for developed economies and 50% for developing economies
□ All of the above
□ None of the above
□ Others (please list)
20. If you are of the view the project values should be capped at a lower amount than the current ceiling of USD500,000, please select the option that best reflects your views.

☐ Up to US$250,000
☐ Up to US$300,000
☐ Up to US$350,000
☐ Up to US$400,000
☐ Up to US$450,000
☐ Other

If ‘other’ please provide details.

21. Please provide any additional information or details you may wish to include as part of your response to the survey.

Thank you for taking the time to complete the survey.
ANNEX D – SUGGESTED AMENDMENTS TO MONITORING REPORT TEMPLATE

Multi-Year Project: August Monitoring Report

Please submit through your APEC Secretariat Program Director by xxx of each year. Please note that this report will be used to determine your next year’s funding.

SECTION A: Project profile

<table>
<thead>
<tr>
<th>Project number &amp; title:</th>
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<tr>
<td>Time period covered in report:</td>
<td>Date submitted:</td>
</tr>
<tr>
<td>Committee / Working Group / Fora:</td>
<td></td>
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<tr>
<td>Project Overseer Name / Organization / Economy:</td>
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SECTION B: Project update

Briefly answer each of the questions below. Section B should be a maximum of 4-5 pages. Focus on progress made since your last report, or since the project started.

1. **Current status of project:**
   - On schedule: YES / NO
   - On budget: YES / NO
   - On target to meet project objectives: YES / NO

   If NO, provide details: How far is the project off schedule, budget or objectives? What corrective actions are being taken to resolve any problems? What support is needed from your Committee or the Secretariat in addressing these problems?

2. **Continuing relevance:** Does the project remain a high priority for both the involved fora and the broader APEC agenda? How is this relevance verified? If NO, what are the reasons for reduced relevance and/or priority and should the scope of the project be amended?

3. **Implementation:** Describe progress and any deviations against the project’s work plan. How have stakeholders and other fora been engaged during the implementation stage?

4. **To ensure that MYP are strategic and address APEC-wide priorities, the projects can only be sponsored by SOM/SFOM or Committees. Please provide details of how these stakeholders are engaged during planning and implementation of the project to ensure that the project’s relevance to high level objectives and APEC-level priorities are achieved.**

5. **Please provide details of how co-sponsors and other APEC fora are engaged in planning and implementation of the project. If engagement is limited please provide reasons for why this is the case.**

6. **Please provide details of how non-APEC fora have been involved in the project in planning and implementation and any strategies proposed to enhance this engagement over the life of the project. This may involve examining ways of building off work undertaken by non-APEC stakeholders and/or leveraging funding or resources available to further APEC’s work.**
7. **Challenges:** If not covered in Q1, describe any problems which have arisen (or might arise) and **how you overcame them / aim to overcome them** how this issue has been managed. How might these change the project schedule or budget? **How might your fora, Committee or the Secretariat help?**

8. 

9. **Objectives and outputs:** How do the results of the project so far (if any) compare with its expected results? Are outputs being delivered on time and of sufficient quality? Are the right stakeholders or participants being engaged? (You may refer to section C, as applicable.)

10. **Monitoring and evaluation:** Describe any monitoring and evaluation activities undertaken or started during the previous year. How was the information collected? Describe any results or findings, if not covered in Q5. What are some of the key lessons learned during implementation?

**SECTION C:** **Participant and output information**

1. **Participant information:** Please provide details, where applicable, of APEC Funded participants in any events or studies carried out over the past year. Insert rows or tables as needed.

<table>
<thead>
<tr>
<th>Event / Activity:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td># male</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
</tr>
</tbody>
</table>

Comment on the composition of the participants: in terms of economies, fora, gender mix, background, skill-sets, etc. Do you feel the right people are participating, and in the right ways?

2. **Outputs:** Please provide details, where applicable, on any outputs from the past year (e.g. # workshops, publications, websites, CD sets, etc.). Change headings or insert rows as needed.

<table>
<thead>
<tr>
<th>Type of output</th>
<th># planned</th>
<th># actual</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

**SECTION D:** **Budget**

Attach the updated MYP budget template with a breakdown of APEC-provided budget to date, including:

- **Actual expenditures vs. planned costs** (using most recently approved budget figures)
• **Variance notes:** An explanation of any budget line under- or over-spent by 20% or more.
• **Proposed budget for the coming year:** for approval by APEC

**SECTION E: Appendices or additions**

You have the option of attaching any of the following. This information will help us better understand and support your project, support overseers of similar projects and plan for future projects.

- Lists of the project’s (APEC Funded) participants, experts or consultants, with job titles and contact info
- Event agendas
- Links to any relevant websites or online material (e.g., reports, resources created)
- Results of participant feedback or other project evaluation (raw and/or analyzed)
- Any other relevant information or resources that would help us learn more about your project

**FOR APEC SECRETARIAT USE ONLY** APEC comments: Is the project management effective? How could it be improved? Are APEC guidelines being followed? Is the project still relevant to APEC and fora priorities?
## MYP Review Report Recommendations and Proposed Management Response

<table>
<thead>
<tr>
<th>MYP Review Recommendation</th>
<th>Proposed Management Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>That an <em>ex-post</em> cluster evaluation of MYPs be undertaken after the completion of all 12</td>
<td>That the evaluation be undertaken once 75% of the pilot projects have been completed (according to the current schedule, this is December 2016)</td>
</tr>
<tr>
<td>projects to inform future directions for MYPs. This assessment should assist in informing</td>
<td></td>
</tr>
<tr>
<td>any decisions regarding the numbers of MYPs to be supported and the appropriate mix of</td>
<td></td>
</tr>
<tr>
<td>standard and multi-year projects.</td>
<td></td>
</tr>
<tr>
<td>That steps be taken to increase the level of engagement of SOM/Committees in project</td>
<td>Implement immediately: This can be done through enhanced engagement between Project management unit, program directors and project overseers.</td>
</tr>
<tr>
<td>planning and implementation to ensure that projects’ strategic focus and alignment with</td>
<td></td>
</tr>
<tr>
<td>APEC-wide priorities are maintained. The level and scope of this engagement will need to</td>
<td></td>
</tr>
<tr>
<td>be decided by the PO on a case-by-case basis.</td>
<td></td>
</tr>
<tr>
<td>That an assessment of the resource implications of managing the MYP modality be</td>
<td>Implement during the ex post evaluation.</td>
</tr>
<tr>
<td>undertaken as part of the ex-post evaluations of projects to inform any decisions about</td>
<td></td>
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<tr>
<td>the future directions of MYPs.</td>
<td></td>
</tr>
<tr>
<td>That a clear process to mitigate any risks of duplication between MYPs and standard</td>
<td>Most relevant to be implemented for future MYPs – however a mechanism currently exists for standard projects (in the project proposal template) to mitigate duplication risks</td>
</tr>
<tr>
<td>projects be established. This may involve a brief statement by the PO in the project</td>
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<tr>
<td>cover sheet confirming that measures have been taken to mitigate potential risks of</td>
<td></td>
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<tr>
<td>duplication between standard projects and MYPs supported by the forum</td>
<td></td>
</tr>
<tr>
<td>That details of collaborative efforts and evidence of cooperation by APEC fora and non-</td>
<td>Implement immediately, through updating the MYP monitoring report template</td>
</tr>
<tr>
<td>APEC stakeholders during project planning and implementation be collated as part of the</td>
<td></td>
</tr>
<tr>
<td>project reporting requirements. It is recommended to better define the terms of ‘close</td>
<td></td>
</tr>
<tr>
<td>cooperation’ and ‘engagement’ by non-APEC fora in the APEC Guidebook or in the templates</td>
<td></td>
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<tr>
<td>as ‘notes’.</td>
<td></td>
</tr>
<tr>
<td>That the use of annual Monitoring Reports as the trigger for payments be continued.</td>
<td>Implement immediately</td>
</tr>
<tr>
<td>That steps are taken to strengthen the value and utility of the MR as a management tool</td>
<td>Implement immediately</td>
</tr>
<tr>
<td>That a standard definition of project years by defining the MYP project year in terms of</td>
<td>Implement as part of a more detailed re-design when a decision is made on the future of</td>
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<tr>
<td>2015/SOM1/BMC/006</td>
<td>Annex 3</td>
</tr>
<tr>
<td>current budgetary allocations and estimates to accommodate the proposed changes.</td>
<td>MYPs (after the current pilot projects are evaluated).</td>
</tr>
<tr>
<td>9</td>
<td>That the submission deadline for the MR be changed from August to December.</td>
</tr>
<tr>
<td>10</td>
<td>That internal processes for approving reprogramming requests and budget amendments for MYPs during the pilot phase be streamlined further.</td>
</tr>
<tr>
<td>11</td>
<td>That approvals of changes to budget line items for project out-years (if these changes do not alter the scope of project) be simplified and streamlined further.</td>
</tr>
<tr>
<td>12</td>
<td>If the decision is made to continue with MYPs, that a single/common selection process be instituted for both MYPs and standard projects to promote a more competitive selection process and to minimise the administrative burden.</td>
</tr>
<tr>
<td>13</td>
<td>That any decision to continue with MYPs as a project modality be based on an in depth assessment of the sustainability and predictability of funding sources to support longer term, multi-year initiatives.</td>
</tr>
<tr>
<td>14</td>
<td>That the potential of supporting MYPs under the General Fund Account be examined as this fund satisfies the criteria of sustainability and predictability.</td>
</tr>
</tbody>
</table>