



**Asia-Pacific  
Economic Cooperation**

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**2020/SOM1/BMC/004**

Agenda Item: 7.1

## **Project Management Unit Update Report**

Purpose: Consideration  
Submitted by: APEC Secretariat



**First Budget and Management Committee  
Meeting  
Putrajaya, Malaysia  
16 February 2020**

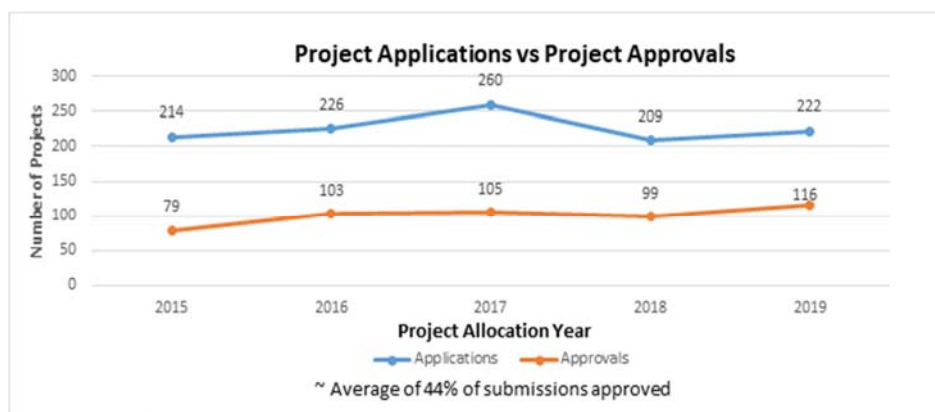
## Project Management Unit Update Report

### Purpose

This paper updates BMC members on project related issues since the last BMC meeting held in August 2019. It also includes a recommendation in relation to the latest Longer-term Evaluation of APEC Projects (LTEAP).

### 2019 Project Statistics

1. Two project approval sessions were completed in 2019. There was sufficient funding for 116 projects out of a total 222 funding applications, for a funding approval rate of 52%. The number of projects approved has steadily increased each year since 2015. Project administration loads are currently high, with around 230 projects across various stages of the pipeline.
2. The overall approval rate for the 'untied' APEC funds (GPA, TILF and ASF General Fund) was 35% (40% in 2018) and 87% for the ASF Sub-Funds (61% in 2018). The overall increased approval rate in 2019 reflects the fact that many ASF Sub-funds are undersubscribed, meaning that for certain ASF Sub-funds every eligible Concept Note submitted was funded, with no competition. Twelve ASF Sub-funds were undersubscribed during one or both of the 2019 project sessions.
3. The longer-term trend in project funding is illustrated in the diagram below:



4. The distribution of Concept Notes approved in-principle, by proposing economy(ies) is shown below:

| Proposing Economy / Economies | Concept Notes approved in-principle, 2019 |
|-------------------------------|---|
| Malaysia                      | 16  |
| United States                 | 15  |
| Chile                         | 11  |
| Japan                         | 11  |
| Viet Nam                      | 11  |
| Chinese Taipei                | 9   |
| Korea                         | 8   |
| China                         | 7   |
| Indonesia                     | 7   |
| Peru                          | 4   |
| Russia                        | 4   |
| New Zealand                   | 3   |

|                                 |            |
|---------------------------------|------------|
| Philippines                     | 2          |
| Thailand                        | 2          |
| Australia                       | 1          |
| Canada                          | 1          |
| Chile; Chinese Taipei           | 1          |
| Hong Kong, China                | 1          |
| Japan; Malaysia; Chinese Taipei | 1          |
| Malaysia; Singapore             | 1          |
| <b>Total</b>                    | <b>116</b> |

### Project Session 1, 2020

5. The first project session of 2020 will open on 28 February 2020 (Internal Submission Deadline). Concept Notes must be submitted to Program Directors' by this date, to facilitate endorsement by the PO's originating forum. Fourteen days have now been allocated to this process (an increase from the 10 days allocated in 2019). Endorsed Concept Notes must be submitted to PMU by 13 March (Final Submission Deadline). Concept Notes will be distributed on 18 March to the APEC forum responsible for the nominated funding source, for eligibility assessment and scoring. There will be 14 days for this process. PMU expects to make funding recommendations to BMC on 6 April.
6. POs who are successful at the concept stage must submit their first-draft Project Proposals to the Secretariat by 11 May. There is a week of grace that follows, after which late Project Proposals will be considered withdrawn. Subject to quality assessment and forum endorsement, the Secretariat will submit Project Proposals to BMC for final funding approval in batches from late May onwards.

### Project Monitoring and Completion Reporting

7. Updates in relation to the December 2019 Monitoring and Completion Summary Report will be provided at BMC1.

### Longer-Term Project Evaluation of APEC Projects (LTEAP)

8. On 18 December 2019, PMU provided BMC with the 2019 LTEAP Report. This is the fourth consecutive year that the LTEAP has surveyed all APEC-funded projects completed in a given year. Around 3660 Project Participants (PPs) and Project Overseers (POs) were contacted in relation to the 84 projects completed in 2018. The survey response rate was 29% overall, continuing the upward trend in response rate observed since 2017. The LTEAP is now established as a key annual undertaking for the Project Management Unit (PMU). Increasing the LTEAP response rate will continue to be a focal area but it is a resource-intensive exercise for the Secretariat.
9. As foreshadowed last year, three years of consistent response rates provides a basis for a comparative analysis of outcomes. There are three years of comparable datasets which have enabled the Secretariat to report on consolidated trends of concern that relate to project Relevance, Effectiveness, and Sustainability:
  - a. **Relevance:** The survey indicated encouraging outcomes under relevance from both POs and PPs. 72% of participants indicated that project topics were either a 'top' or 'important priority' for the participants' home agencies. This is a good outcome, yet around a third of all responding participants continue to report that the topic was simply 'of interest' or of 'low' or 'no interest'. Furthermore, 19% of PPs said the training/workshop was not relevant to their current position. Efforts should be made to sustain the good outcomes under relevance. But there is some room for

improvement for POs, nominating economies and fora, to engage more effective strategies to refine participant targeting mechanisms and enhancing attendance.

- b. **Effectiveness:** PPs tend to rate the presenters or trainers' level of knowledge, preparation and delivery in high terms, but 51% of PPs reported using project learnings infrequently, rarely or never. While resourcing, commitment and time-lag may be at play, the high rate of PPs using learnings infrequently, rarely, or never, may also point to issues under relevance: participant targeting and attendance. 42% of PPs indicated that there had been no change to the way that their home agency operates, following the training. 45% of POs said they weren't aware of new and improved practices being adopted by either the project participants or their institutions, as a result of the project. We see these two outcomes in similar terms. While these outcomes may be linked to resourcing or commitment issues in home agencies, again, issues of relevance may be at play. It is telling that 87% of POs stated 'attracting appropriate participants from appropriate economies' and 'attracting a sufficient number of participants' were both primary challenges for the project.
  - c. **Sustainability:** Most PPs expect to be in their roles for three years or more but sustainability faces challenges. Long staff retention rates create a good platform for capacity building impact, but the results under relevance and effectiveness (above) reduce the leverage power of this platform. 52% of POs had no evidence of any changes in policies, regulations or professional practices as a result of the activity.
10. The Secretariat sees potential to design and implement process and policy responses to tackle the issues identified above, specifically under the focal areas of relevance and effectiveness. PMU has developed three high-level responses to guide future work:
- a. **More effective and relevant participant targeting:** APEC undertakes over a hundred capacity building projects a year, treating a wide array of topics and themes. POs should be encouraged (and supported) to think more deeply about developing a 'participant profile' early in the planning stages which best matches the objective of the project, and will give the project the strongest chance of delivering the intended outcomes. The relevance of the project to the role of the participant should be a prime consideration but other facets should be considered too. Such profiles can be articulated in project administrative circulars to assist economies in their nomination process. These profiles should apply across the board, to include funded and self-funded participants and domestic participants.
  - b. **Nurturing better rates of attendance:** Most APEC projects are unsuccessful when it comes to attracting full participation by travel eligible economies, and full attendance by all economies. POs should be thinking very early, even at the concept stage, about how their project will meet the *specific* capacity building needs of their participants (in particular travel-eligible participants). The content and scope of workshops should be tailored to meet the needs of attendees. POs should work to maximise the lead-time between the issuance of administrative circulars and the date of the event, conscious of the approval processes that apply in each economy. Consideration should be given to scheduling: holding project events during SOM clusters can potentially enhance attendance but participants may have competing priorities.
  - c. **Learning that can be applied at home:** Many participants reported that learnings were used infrequently, rarely or never. Many also report no changes to the way that their home agency operates, following the training. This is likely linked to the question of

effective participant targeting but more work could be done within projects to help participants with the process of disseminating project outcomes within their home agencies and systems. For example, workshops could include some agenda-time to provide participants with strategies to transfer knowledge and learning. Additionally, more often than not, lessons shared at work are shared on an informal basis, indicating a reliance on unstructured or unplanned information dissemination. While this may be appropriate in some cultural settings, it would be prudent for POs to ensure they support participants with guidance on information dissemination techniques that are tailored to meet a range of cultural settings.

11. If BMC agrees to make such a tasking, PMU will bring a paper to BMC2, describing potential specified process changes to address the issues described above in the management response in the 2019 LTEAP.

#### **Project Training and Outreach Activities**

12. PMU conducted 30 project quality training sessions for members during SOM clusters in 2019 including 11 scheduled training sessions and 19 shorter-form sessions within plenary meetings in the SOM clusters.
13. PMU plans to conduct 5 scheduled training sessions during SOM1 and PMU also plans to attend 3 plenaries to deliver messaging on project quality and impact. PMU will also deliver some brief high level messages on project quality at the SCE-COW Informal Meeting (same as SOM1, 2019).

#### **Contracting Update**

14. POs are free to utilise contracted services in their APEC Projects, subject to the Guidebook on APEC Projects. Contracting and work undertakings in APEC Projects fall under the 'Direct Labour' budget category. Direct Labour is the second largest overall spending category in APEC Projects after Participant Travel. In 2019, around US\$2.702 million was committed through work undertakings and contracts in support of individual APEC projects. Total project expenditure was \$US5.952 million.
15. Contracting and procurement in APEC Projects follows the broader 'devolved' model that applies to APEC Projects generally. POs nominate the dollar-value of the procurement and lead the process of contractor selection, while the contract itself is signed and executed by the Secretariat. The Guidebook addresses procurement and contracting under Chapter 12 and Appendix I – the *APEC Procurement Principles*. Competitive procurement is an important concept and is at the heart of the *value for money* procurement principle. Open tendering is acknowledged by the Guidebook as the most competitive procurement process.
16. In APEC Projects, the mode of procurement is determined by reference to three thresholds. There is no requirement to undertake a competitive process or to 'test the market' for any procurement under US\$20,001. POs select contractors directly. But all procurement above this value must either be approached through a partially or fully open competitive Request for Proposal (RFP). In 2019, 80% of APEC project contracting was valued below US\$20,001 and thus not subject to mandatory competitive procurement requirements. (The Secretariat signed 102 work undertakings and contracts in 2019. Of this, 82 were below US\$20,001.)

### **Project Priorities for 2020**

17. In 2020, PMU will work to deliver the project management activities in the BMC Work Plan, specifically:

- Provide one analytical report to BMC on the longer-term evaluation of APEC projects.
- Provide one\* analytical report to BMC on monitoring and completion of APEC standard projects.
- Deliver at least 12 targeted training and outreach sessions for project overseers on the margins of key APEC meetings, to improve the quality of projects.
- Prepare one update to the Guidebook on APEC Projects to reflect new project information.
- Administer two project approval sessions, commencing in February and June 2020, and undertake detailed quality assessments of projects for BMC funding approval.
- Update the APEC Project Database to include information on all APEC projects approved in 2020.

(\*this has been adjusted from two analytical reports, to reflect the change in the underlying monitoring report frequency from twice-yearly to once-yearly under the 2017 SOM-agreed project reforms)

### **Recommendation**

That BMC members

- note the Project Management Unit update report.
- Agree to task the Secretariat to bring a paper to BMC2, describing potential specified process changes to address the issues identified in the management response in the 2019 LTEAP.

APEC Secretariat

January 2020