



SECRETARIAT OF THE PACIFIC COMMUNITY

FORTY-FOURTH MEETING OF THE COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS (Noumea, New Caledonia, 4–7 November 2014)

AGENDA ITEM 3: GOVERNANCE REVIEW

(Paper presented by the Special Session of CRGA on Governance)

BACKGROUND

Following the 2013 CRGA and Conference debate on how SPC's governance processes might be strengthened, CRGA 43 and the 8th Conference mandated the Secretariat to 'commission a review of these processes in 2014, funded from SPC's existing budgetary resources, with the findings and recommendations of the review to be presented to CRGA 44'.

The review was steered by a Governance Working Group composed of SPC senior executives and representatives from 11 member countries and territories: Australia, Fiji, Federated States of Micronesia, France, French Polynesia, New Caledonia, New Zealand, Niue, Republic of the Marshall Islands, Solomon Islands and the United States of America.

The outcome of the review, including recommendations for improved governance, was discussed with the whole membership at a Special Session of CRGA on Tuesday 4 November 8:30–12:00.

RECOMMENDATIONS

The Special Session of CRGA on Governance makes the following recommendations to CRGA:

General recommendations: to introduce a set of reforms and practices designed to make the current governance arrangements work better; to test, in a limited way, the idea of representative governing-body sub-committees; and to raise formally the issue of the place of SPC's governance within the Pacific-wide organisational governance context.

Specific recommendations:

A. REFORMS TO CURRENT GOVERNANCE ARRANGEMENTS

1. Improve effectiveness of CRGA

- a. Develop clear terms of reference (TOR) for CRGA including level of authority, standing orders, meeting processes, and structure of recommendations. Also include:
 - i. TOR for Chair of CRGA; and
 - ii. Guidance for members in selection of representatives.

- b. Institute induction for members, to be facilitated by an external consultant, expected before the November 2015 CRGA meeting (to avoid additional travel costs), to be repeated on an 'as needed' basis for new members.
- c. Adopt a principle of continuity of representation. Members will seek to retain the same representatives over a period of time to allow continuity of perspectives and experience. Each member will also seek to ensure there are at least two representatives involved. These representatives are to be determined by each member. SPC will cover the costs for one representative from each Pacific Island member to attend CRGA/Conference.
- d. Ensure papers are provided a minimum of 10 working days before CRGA. Papers provided by the Secretariat should clearly request decisions rather than simply ask for agreement or noting of recommendations.
- e. Introduce a decision tracking system to monitor implementation of CRGA decisions; this will also enable the Secretariat to regularly report to members.
- f. During CRGA, allow time for delegates to assess and rate CRGA's performance and suggest improvements.
- g. Support CRGA via a dedicated (part-time) staff member allocated to the purpose.
- h. Recognise SPC has one governing body, the Conference, which delegates its authority to CRGA to act on its behalf between sessions. This clarifies the role of Ministerial/Sector Heads meetings as important and influential advisory meetings but with no governance role in respect to SPC.

2. Adjust times and location of CRGA meetings

- a. Continue annual CRGA meetings but align meeting times with SPC's financial year so reports are more relevant and timely. As the financial year ends 31 December, move CRGA meetings to May or June (at times that suit members and the timing of other regional meetings), commencing 2016. Given the new timing for CRGA, CRGA will approve a revised budget for the current year as well as a budget outlook for the following two years (e.g. CRGA 46, to be held in May 2016, will approve a revised budget for 2016, as well as a budget outlook for 2017–2018).
- b. Shorten the CRGA meeting to two days commencing November 2015.
 - i. Additional days may be used for induction/training of CRGA members, or for members to focus on specific regional issues in which SPC engages.
- c. Adjust the location of CRGA meetings.
 - i. In years where only CRGA is held: it will take place in either Suva or Noumea.
 - ii. In years where Conference is also held: countries have the opportunity to host provided they cover the additional costs to SPC, including the costs of hosting CRGA.
 - iii. If no member offers to host Conference, it reverts to either Suva or Noumea.

3. Provide specific support to the Chair of CRGA and the Director-General

- a. Arrange specific induction and training for the Chair.
- b. Establish a troika of Chairs (past, present and future) with clear TOR to have quarterly meetings with the DG (teleconference), engage with the broader membership on SPC developments and promote the work of SPC through media, launches, etc. The positions of past, present and future Chairperson will continue to be held for periods of one year rotating in alphabetical order through all CRGA members.

4. Clarify the role of the Conference

- a. Clarify the TOR of the Conference:

- i. To appoint the DG
- ii. To consider major regional policy issues and SPC's strategy for addressing them
- iii. To approve changes to Financial and Staff Regulations approved by CRGA.

USE OF SUB-COMMITTEES

5. Increase member engagement through a limited number of time-bound working groups and sub-committees

- a. For the purpose of this paper, *sub-committee* refers to a group established by CRGA to focus on governance issues. A *sub-committee* may have external representatives if this is acceptable to CRGA. It is envisaged *sub-committees* will analyse and interrogate issues on behalf of CRGA and will report back to CRGA with recommendations on any significant decisions required. As such, *sub-committees* will not have executive authority (*i.e.* they won't be able to make any significant decisions on behalf of CRGA).

By contrast *working group* refers to a group established by the Director-General to advise on management issues.

- b. While recognising other organisations use sub-committees, the Governance Working Group was cautious not to recommend a suite of sub-committees, principally due to concerns relating to cost and effectiveness. Instead the following is proposed:

6. Request the Audit and Risk Committee (ARC) to include a particular focus on advising CRGA on the SPC budget and major asset acquisitions.

The ARC was established in 2013 and is an example of CRGA delegating work to independent external expert representatives.

- a. In addition to designated current activities, this would include:
 - i. Budget: Offering a brief assessment and an opinion for CRGA on the budget papers prepared for CRGA (and any interim budget papers), and if required making specific recommendations.
 - ii. Assets: Providing advice, guidance and recommendations to CRGA, as appropriate, regarding the financial impact of operating costs resulting from major new acquisitions.
- b. This would reinforce the provision of expert and informed advice to CRGA on key financial issues for which it has responsibility, including financial risk, budget, and major assets.
- c. This request falls into the current remit of ARC, has no implications for its present composition or meeting arrangements, and is consistent with the ARC Charter.

7. Establish a sub-committee to focus on the new Corporate Strategic Plan (to be endorsed by CRGA and approved by Conference in November 2015). This sub-committee will be based on constituency representation where possible, and open to voluntary participation and limited external stakeholders, if required.

- a. This sub-committee will be established by CRGA 44 in 2014 and initially operate for 12 months. It is envisaged it will meet once face-to-face and up to three times via teleconference. Based on the TOR to be developed, its focus will be to provide oversight, direction, analysis, contestability and advice regarding the Secretariat's development of the new Corporate Strategic Plan (CSP). This will include SPC's role and approach to development effectiveness.
- b. This sub-committee may ideally comprise approximately 8 members, and CRGA will determine which constituencies these members will be drawn from and whether external

stakeholders (*e.g.* the European Union) or independent experts may participate. It will also be open to voluntary participation from members.

- c. CRGA could evaluate whether there may be a longer-term role for such a sub-committee in monitoring the ongoing relevance of the CSP or whether this can be done by CRGA itself.

8. Continue the SPC Governance sub-committee to monitor and evaluate the implementation of the CRGA Governance reforms and make recommendations to CRGA and Conference in 2015.

- a. It is envisaged the Governance sub-committee will meet by teleconference twice during the year, once in May 2015 and again prior to CRGA 2015.
- b. The Governance sub-committee will look at the extent to which these recommendations have been implemented.
- c. It will also determine which recommendations should be approved by Conference in 2015.
- d. It may advise, based on early experience, whether further reforms are necessary.

PLACING SPC WITHIN A PACIFIC-WIDE ORGANISATIONAL GOVERNANCE CONTEXT

9. Initiate a more substantive debate about streamlining regional meetings and regional mechanisms (including CRGA and Conference) and further enhancing the complementarities, efficiency and effectiveness of the CROP system as a whole. This could include:

- a. Exploring opportunities for efficiency gains in hosting joint regional meetings, recognising some adjustments may be necessary to reflect differing memberships. This work should take into account and complement similar initiatives in the Pacific.
- b. Directing SPC's Director-General to liaise with PIFS Secretary General as CROP Chair, to explore the feasibility of commissioning a joint study on how regional complementarities could be enhanced and regional mechanisms and meetings may be improved.