

SECRETARIAT OF THE PACIFIC COMMUNITY

**THIRTY-SEVENTH MEETING OF THE COMMITTEE OF  
REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS (CRGA)**  
(Apia, Samoa, 7-9 November 2007)

*OVERVIEW REPORTS FOR 2007*

**AGENDA ITEM 2.1 – DIRECTOR-GENERAL’S REPORT**

(Document presented by the Director-general)

**EXECUTIVE SUMMARY**

1. In this brief overview, we report on the status of implementation of (i) the key decisions taken by CRGA 36 last year; (ii) the recommendations of the 2005 corporate review; and (iii) the special focus areas identified in the Director-General’s report to CRGA 36. We also report some highlights of 2007, which has been a very active and productive year for SPC.
2. The Secretariat has pushed some boundaries during 2007 and achieved some milestones in regional collaboration. It has led key regional initiatives that have the potential to unlock untold development potential for some of our members if they come to fruition.
3. This report is not exhaustive and needs to be read with other CRGA papers, in particular with CRGA Paper 4.1, ‘Key collaborative initiatives’, which provides details of our engagement with various partners and stakeholders in 2007. Where important initiatives are mentioned, reference is made to the specific agenda items that deal with them in more detail.
4. I commend my 2007 report to you for your consideration.

**RECOMMENDATION**

5. CRGA is invited to:
    - i. note and discuss the Director-General’s report;
    - ii. report to Conference matters for its attention as appropriate.
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## DIRECTOR-GENERAL'S REPORT

### PREAMBLE

1. Warm greetings from the Secretariat of your organisation, the Secretariat of the Pacific Community, and welcome to the 37<sup>th</sup> meeting of CRGA and the 5<sup>th</sup> Conference of the Pacific Community, convened in beautiful Apia, Samoa.
2. Allow me at the outset to convey my most sincere thanks and appreciation to the Government of Samoa for hosting these meetings of SPC's governing body. This year's meetings coincide with the 60<sup>th</sup> anniversary of the organisation – making our two meetings the 60<sup>th</sup> Anniversary CRGA and the 60<sup>th</sup> Anniversary Conference.
3. The commemoration of SPC's 60<sup>th</sup> anniversary began on 6 February with events at all three of our official offices in Noumea, Pohnpei and Suva, and at other locations around the Pacific. The special activities throughout the year included an 'open week' at Noumea headquarters in June. Suva and Pohnpei offices both held very successful open events around 6 February.
4. New Caledonia OPT launched a 60<sup>th</sup> anniversary commemorative stamp during CRGA 36 in Noumea last year and Wallis and Futuna launched a 60<sup>th</sup> anniversary stamp in 2007. The celebrations will culminate during Conference with the official launch of '*Meeting house of the Pacific – the story of SPC: 1947–2007*', a book produced by the Secretariat that reflects on SPC's six decades of service to the people of this region.
5. For CRGA 37 and the 5<sup>th</sup> Conference, our host, the Government of Samoa, and the Secretariat have produced some simple memorabilia for delegates to commemorate this historic occasion. Allow me then to say, 'Happy 60<sup>th</sup> anniversary, SPC'.
6. The agenda for this year's CRGA, like that for CRGA 36 last year, has a substantive policy focus based on the three pillars embodied in our corporate plan for the period 2007–2012. However, this year we have only three days to cover the agenda as opposed to five days last year, so depending on progress, we might have to adopt the CRGA report on Saturday morning.
7. This year's Conference also has a substantive agenda that focuses on three of the most important challenges for the region: the future of Pacific fisheries, urbanisation and climate change. A key feature is the collaboration with other CROP agencies in bringing attention to these key challenges. These three papers have been prepared jointly and will be presented jointly with three CROP agencies, the Forum Fisheries Agency (FFA); the Pacific Islands Forum Secretariat (PIFS) and the Secretariat of the Pacific Regional Environment Programme (SPREP) respectively. A number of key policy issues dealt with by CRGA will also be tabled for consideration by Conference.
8. In accordance with the organisation's policy on the contract of the Director-General, this year's meetings of CRGA and Conference need to conduct an assessment of my performance as Chief Executive Officer during my tenure and make a decision on whether or not to offer a new two-year contract. In accordance with this policy, this agenda item will be discussed in-camera in both meetings.
9. The policy-related items on both the CRGA and Conference agendas will deal with many of the issues that would normally be covered in my report. As a result it is much shorter than my inaugural report to CRGA 36 last year.

10. This brief report only provides highlights of 2007. The details are in the rest of the agenda. Where important initiatives are mentioned, reference is made to the agenda items that deal with them in more detail, e.g. CRGA Paper 4.1, 'Key collaborative initiatives', is virtually an annex to this report and describes our engagement with various partners and stakeholders in 2007.

## GENERAL OVERVIEW

11. This has been a very busy and productive year for SPC with implementation of work programme activities based on the three pillars articulated in our new corporate plan 2007–2012 gathering momentum.
12. *SPC – Riding the winds of change in 2007 and beyond:* In February this year, I produced an internal 'thoughts paper' for 2007 and beyond. In the paper I shared with staff my observations from the lessons of 2006 and the directions for 2007. This paper is Annex 5 of the series of papers for Agenda item 8. Implementation of the three pillars of our new corporate plan was a key theme of this paper.
13. *Pillar 1 of our Corporate Plan – Increased focus on member priorities – took precedence in SPC's work programmes in 2007.* While this pillar will continue to be our dominant focus every year, this year was particularly special. We pushed the boundaries to strengthen the foundation that will put the organisation in good stead to both deliver and safeguard its core business – 'addressing member priorities'. The whole policy agenda covered under CRGA papers 3.1 to 3.9 and Conference papers 4 to 6, which embody the Secretariat's emphasis on increasing the focus and value of our services to members. We are very happy with the mileage we have covered on policy initiatives and programme delivery, particularly the development of the joint country strategies (JCS). The first five of these JCS will be presented to CRGA 37 (see also CRGA paper 3.1). We are also pleased with our achievements on the Pacific digital strategy, which have certainly exceeded expectations to date (see also CRGA Paper 3.2). Members need to provide clear guidance to the secretariat regarding host country responsibilities in relation to decentralisation of services. CRGA Paper 3.8 deals with this issue. The divisional presentations (CRGA paper 2.2.1 – Land Resources Division; 2.2.2 – Marine Resources Division; and 2.2.3 – Social Resources Division) provide more details on achievements under Pillar 1.
14. *We made good progress in 2007 in implementing Pillar 2 of our Corporate Plan – Strategic engagement at national, regional and international levels.* SPC's relationships with individual CROP agencies have reached new heights, with a new high-level consultation process already in place with the Pacific Islands Forum Secretariat (PIFS) and Forum Fisheries Agency (FFA), and a similar process being explored with the South Pacific Applied GeoScience Commission (SOPAC) and the Secretariat of the Pacific Regional Environment Programme (SPREP). We participated in two on-going regional initiatives, the Pacific Plan and the Regional Institutional Framework review. We also established a consultative process with United Nations agencies based in and outside of Fiji. We have engaged strategically and programmatically in a number of key areas that are important to the region, either through research activities, e.g. the Pacific Regional Tuna Tagging project; improving the strategic positioning of regional sectors, e.g. mapping exercises; mobilisation of resources, e.g. Global Fund to fight AIDS, Tuberculosis and Malaria; or through political advocacy and providing information to Pacific parliamentarians to enable them to contribute more effectively in parliamentary chambers, e.g. the Pacific Parliamentary Assembly on Population and Development. CRGA Paper 4.1 on 'Key Collaborative Issues' and Annex 3 to this report provide more details on achievements under Pillar 2 in 2007.

15. *We stepped up the pace in implementing Pillar 3 of our Corporate Plan in 2007 – Strategic positioning of the organisation – to help us achieve our Pillar 1 and Pillar 2 objectives.* Through financial assistance from AusAID, the role and scope of the Planning Unit will be expanded into a Strategic Engagement, Policy and Planning Facility. This expansion will begin early in 2008. The facility will comprise a team of senior multi-sectoral advisers with a skill mix covering the full spectrum of SPC's services. It will be a resource for both members and SPC programmes. The team will monitor trends and analyse and provide options for national decision-makers and for SPC programmes. It will undertake policy analysis, develop forecasts to feed into programme planning and design, and coordinate assessment of the impacts of SPC services. In terms of corporate leadership and management, we have addressed the need to appoint a senior manager to head our newest regional office in Pohnpei and hope to complete the recruitment process for the position very soon. Shortly, we will also appoint the successful candidates for three director positions – Corporate Services, Marine Resources and Social Resources. In 2007, we addressed the recommendations on human resources (HR) of the 2005 corporate review by establishing new HR functions in our Corporate Services Sections in both Noumea and Suva. Our new IT and Finance software, which is designed to improve our corporate information system (CIS) and link headquarters and regional offices will go live on 1 January 2008. I wish to thank our ICT team and finance staff in both Noumea and Suva for making this happen. Additional details are provided later in this report and in Annexes 2 and 3.
16. *We have made good progress in implementing the major decisions taken by CRGA 36 last year.* We have completed five JCS, nine country profiles, the youth mapping exercise and the small island states (SIS) shipping study. We have made good progress with work on statistics, fisheries, forestry, health and TVET, and have secured the resources needed to implement the Pacific rural internet connectivity system (Pacific RICS) under the auspices of the Pacific Plan digital strategy. Pacific RICS will provide internet access to rural and remote areas of the region. Annex 1 to this report provides additional details on the implementation of the key decisions of CRGA 36.
17. *We have implemented the recommendations of the 2005 corporate review, as approved by the 4<sup>th</sup> Conference of the Pacific Community, within two years.* Some of the recommendations required clarification of roles and establishment of policy frameworks to guide their continued implementation and monitoring. Annex 2 to this report provides details on the implementation of each of the 11 recommendations.
18. *We have made good progress in most of the 'Areas for special focus for 2007 and beyond' described in my report to CRGA 36 last year (CRGA (36) Paper 2.1, paragraph 62, sections (i) – (x)).* Annex 3 to this report outlines progress in these areas.
19. *Bridging the communication divide in the region –* SPC collaborated with PIFS to successfully secure resources through the Australian government to implement a relatively low-cost rural internet connectivity system (RICS) for the Pacific Islands region. We also facilitated the consultation process for a potential new submarine cable initiative linking 12 of our members south of the equator. The government of France announced its support for this initiative at the recent Forum Leaders meeting in Tonga.
20. *Meeting house of the Pacific – the story of SPC: 1947–2007* is the title of a book about SPC and its six decades of service to the people of the region. The book was researched and written by a team from our staff and will be officially launched during Conference. This is one of the highlights of our 60<sup>th</sup> anniversary year. I acknowledge with sincere thanks our authors, our layout artist, translators, printers and all those who contributed to the book in one form or another.

21. *The SPC promotional DVD* is a short documentary developed by the Regional Media Centre (RMC). It complements the *Meeting house of the Pacific*. Larry Thomas and his team from RMC spearheaded the development of the DVD.
22. *The Corporate Plan 2007–2012* has now been finalised following input from members and copies will be distributed at CRGA.
23. *Annual Report for 2006*. For the first time this year, our Annual Report was produced in two parts. Part 1 provides an overview of 2006 activities and was distributed in June. Part 2 covers financial and audit information and was completed in September. Both parts will be distributed at CRGA and Conference.
24. *Tribute to staff*. I wish to end this section of my report by again paying tribute to your staff and their families. They are the faces behind the achievements that are being presented to you at this year's meetings. It was not always plain sailing for staff this year. In your presence I congratulate them for their dedication to regional service, for stepping up the pace, and for going the extra mile that makes this report look good. I also thank their families for the support they provide so that our staff can continue to deliver excellent service.

## DIVISIONAL HIGHLIGHTS

25. Details of the work of SPC's three divisions are covered in CRGA Papers 2.2.1, 2.2.2 and 2.2.3 and the presentations by divisional heads. This section of my report lists only a few highlights.
26. **Land Resources Division** – LRD has a total staff of 90 located in 17 member PICTs. In 2007, it operated on a total budget of 8,356,100 CFP units. Below are some highlights of the LRD's work during the year.
  - i. *Participatory approaches* – Participatory approaches to agriculture policy, research and development are now mainstreamed in many PICT agriculture and forestry ministries and departments. This is an extremely important approach to farming, involving farmers and resource owners in the planning, development, implementation and monitoring of farming techniques. As a result, farmers have much greater ownership of the process and its outcomes, leading to higher levels of sustainability. Two farmers will be presenting their experiences to CRGA at this meeting.
  - ii. *Paraveterinary training* – The Paravet Training Programme has produced 112 paravet graduates in 11 countries since its inception; 16 women were among the graduates. With the increasing threat of zoonotic diseases and the gross shortage of qualified veterinarians in many Pacific Island countries, this training programme is providing members with trained officers to support the livestock sector in the 11 countries.
  - iii. *Rapid response to pest incursions* – Cook Islands, Fiji and Solomon Islands received assistance for the containment and eradication of giant African snail, Papua New Guinea (PNG) for cocoa pod borer, and PNG and Vanuatu for little fire ant incursions.
  - iv. *Strategic engagement at international level* – SPC was accredited as an observer by the United Nations Forum on Forests at the UNFF7 meeting in August this year.
  - v. *Harmonisation of the region's biosecurity laws* has been a feature of LRD's activities in 2007. Locally adapted versions of a regionally harmonised biosecurity law have been completed for Cook Islands, Federated States of Micronesia (FSM), Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, PNG, Solomon Islands, Tonga, Tuvalu and Vanuatu. Samoa has already enacted its biosecurity law.

27. **Marine Resources Division** – MRD has a staff of 75 and operated on a total budget of 9,451,000 CFP units in 2007. Below are some highlights of its work in 2007.
- i. *Tuna Tagging Project* – Phase 1 of the Tuna Tagging Project in PNG waters was successfully completed. The total number of fish tagged was twice that expected and returns are coming in. The recent announcement by New Zealand of a substantial level of funding totalling NZD 5 million means that we now have 63 per cent of the total budget needed (USD 10 million) to conduct Pacific-wide tagging. We still require around USD 3.7 million more for the whole project. However, current funding, mostly from New Zealand and the European Union with smaller amounts from other donors, will enable Pan-Pacific tagging to start. The Secretariat is negotiating with Soltai of Solomon Islands for a boat to conduct tagging in the next phase of the project.
  - ii. *Observer Programme* – The current pool of trained observers in PICTs has been depleted to such a level that new capacity needs to be built at national level. Both FFA and SPC have insufficient resources to conduct observer training programmes and urgently need assistance to build up their capacity to train national observers for local fleets.
  - iii. *Aquatic Biosecurity* – The Pacific region lags behind in addressing critical aquatic biosecurity issues, despite high interest in moving live organisms between countries and between islands, not only for aquaculture but for restocking wild fisheries and aquariums. We are proposing a regional programme that will complement SPREP's work on invasive species and that will help SPC members assess risk and develop national quarantine decision-making and control protocols and programmes for live aquatic introductions.
  - iv. *Providing scientific support for coastal fisheries assessment and management decision-making*. This is more important now than ever, particularly as the region is moving to ecosystem-based management. This area of work, involving stock assessment and ecosystems analysis, has been starved of resources and will be a priority for 2008.
  - v. *Maritime monitoring and compliance* – The Pacific region now has internationally recognised maritime auditing systems across a range of areas including safe ship operations, port operations, maritime training institutions and maritime administrations. The quality of our compliance models is attested to by requests from the International Maritime Organization and countries outside the Pacific to study and adopt the models.
  - vi. *Maritime security* – The maritime security checking systems and protocols developed in the region also meet exceptional standards and are being requested by other regions.
28. **Social Resources Division** – SRD has a total staff of 100, with 56 of them working in the Public Health Programme (PHP). The division had a total budget of 17,587,600 CFP units in 2007, of which PHP accounted for 12,334,400 CFP units (70%). Below are some highlights of the SRD's work in 2007.
- i. *Expansion of the Public Health Programme (PHP)* – The PHP expanded significantly in 2007 to a total staff of almost 60 and a budget equivalent to 27 per cent of the total SPC budget. Much of this expansion was due to three large multi-donor programmes relating to HIV and AIDS, pandemic influenza preparedness and non-communicable diseases. The programme is putting in place a centralised health management system to help coordinate its activities and incoming resources and planning is underway to decentralise some of its activities and relocate staff to other locations outside of headquarters.
  - ii. *Increased allocation for national activities in health* – This is a new feature of PHP project design. We now try to ensure that direct financing to members is built into the design of major regional projects. This concept is being applied throughout the organisation and will be a key feature of the new JCS initiatives.

- iii. *Human Development Programme (HDP)* – The newly created HDP has been developing its strategic plan based on the outcomes of a regional ‘stakeholder planning meeting’ convened in Noumea in January this year and the 10<sup>th</sup> Triennial Conference of Pacific Women in May. A major initiative that has the potential to help improve the status of women, and possibly fast-track implementation of the UN Convention on the Elimination of all forms of Discrimination Against Women (CEDAW), is a major research project on gender-based violence currently underway in Kiribati and Solomon Islands. The secretariat is addressing a number of important areas to ensure this research will deliver credible results that could influence policy and interventions to enhance the status and safety of women. The results will be applicable to these two countries but may also provide lessons that could be applied to similar settings in the region.
  - iv. *Regional Media Centre* – In 2007, the Regional Media Centre played an active role in SPC’s 60<sup>th</sup> anniversary celebrations; produced a documentary on SPC; provided media training for more than 100 Pacific Islanders; and produced an impressive list of media productions for internal and external clients, despite some staffing constraints including turnover.
  - v. *Statistics and Demography* – The programme continued providing support for PICT data collection activities including censuses, household income and expenditure surveys and demographic and health surveys and also carried out training in several PICTs. It provided almost three person years of in-country technical assistance and training. The programme organised a successful regional meeting of heads of statistics and planning agencies. SPC is looking forward to collaborating with the Pacific Islands Forum Secretariat on the ‘Regional Statistics Benchmarking Study’, which is expected to take forward many of the recommendations of the regional meeting.
29. **Programme Support Services** – These services include Corporate Communications and Public Relations, Information and Communication Technology, Interpretation and Translation, Library and Publications. The major challenge is that the number of staff in these sections has remained the same while the organisation continues to expand. Highlights for 2007 include:
- i. *60<sup>th</sup> anniversary* – Events to commemorate the 60<sup>th</sup> anniversary were coordinated by the Corporate Communications Office with assistance from the Publications Section and other programmes and services.
  - ii. *Publication of ‘Meeting house of the Pacific – the story of SPC: 1947–2007’*
  - iii. *Production of a short documentary on SPC by the Regional Media Centre.*
  - iv. *Implementing the digital strategy* – Highlights in this area included securing resources for the Pacific RICS, facilitating the submarine cable initiative, and advocating for the OLPC (one laptop per child) initiative – all achieved in 2007 with the support of SPC’s ICT team.
  - v. *Implementing Navision software* – This new software will go live on 1 January 2008. However, operationalization of the system, migration of data and staff training have all been done in 2007, with much of this work being undertaken by Yannick Le Pommelec.
  - vi. *Need for additional resources in Programme Support Services* – Additional resources will be required to achieve the Secretariat’s plans to deploy the new full-time positions of an English editor and translator at our Suva regional office. The implementation of the digital strategy and the organisation’s need to improve its own IT capacity to service its programmes mean that additional resources will be required to expand our ICT capacity as soon as possible. This will be a priority for 2008.

## CORPORATE HIGHLIGHTS

30. *Executive and senior management appointments.* Three executive positions (Directors of Corporate Services; Marine Resources and Social Resources) and two senior management positions (Manager, Pohnpei Regional Office and Deputy Director of Corporate Services) have been advertised. We expect to fill all five positions within the next four months. In addition, we have made two senior management staff appointments this year: Manager for the Human Development Programme, Ms Linda Petersen, and Manager for the Statistics and Demography Programme, Dr Gerald Haberkorn.
31. *Managing a growing and decentralised organisation* – SPC has doubled in size in 10 years. There were a total of 356 staff at the end of October 2007, with 202 at headquarters and 154 in Suva, Pohnpei, and 14 other member PICTs. We have responded internally to increasing staff numbers by improving our human resources systems and technology. Change management is now a common feature of the organisation. What we can not influence, however, are the roles and responsibilities of our members. Some of these are addressed in CRGA paper 3.8 for consideration by CRGA.
32. *Recruitment challenges* – The secretariat has faced huge difficulties this year in attracting good quality applicants for many of its technical positions, even in areas where we would normally expect to find adequate expertise in the region. As highlighted below and discussed in detail in CRGA Paper 7.3, the CROP remuneration package is no longer attractive to good candidates. The upshot is that recruitment takes a lot longer than usual as we have to re-advertise positions much more widely. Some projects have suffered from recruitment gaps, and it is our hope that funding agencies will understand the situation and not pull the plug on funding for important national priorities. SPC has an excellent retention record once staff join us. The main challenge is to attract them. Even if the CROP salary adjustment recommended in CRGA paper 7.3 is awarded, (and we are only recommending meeting 80% of it), the CROP salary scale will still be behind that of the New Zealand public service sector market by between 18 and 24 per cent, and behind the Australian public service sector market by between 21 and 37 per cent<sup>1</sup>. This gap is likely to continue to widen.
33. *CROP remuneration* – CRGA Paper 7.3 covers CROP human resources and remuneration issues and provides an update on 2007 market data surveys. CROP heads, in noting the gap between the CROP payline and the average of the three reference markets, and also the increasing difficulty of attracting good applicants, have agreed to recommend that their governing councils approve 80 per cent of the recommended increases for grades J, K, L and M for staff recruited internationally. The application of this increase will still leave the CROP payline 20 per cent below the average of the three reference markets. The principle reason for recommending an 80 per cent increase is affordability. The governing councils of SPREP and PIFS have approved the recommendation for implementation effective January 2008. I strongly recommend to you that you also consider this recommended increase for SPC favourably. The increases have been included in our 2008 budget, which is a balanced budget. The bulk of the increase is funded from savings due to the continued decline of the SDR.
34. *Staffing and human resources* – 2007 has been a very productive year on this front. Working with both the Noumea Staff Advisory Committee (SAC) and the Suva Staff Representative Committee (SRC) we have been able to address many matters of importance to staff that have been outstanding for some time. The emphasis has been on involving staff in the decision-making process, and their inputs and contributions have been valued greatly by the executive. We have also encouraged staff to participate in “Policy Advisory Teams” to analyse and advice on policy directions in certain important areas. This has been an enriching partnership that we hope to strengthen further in 2008.

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<sup>1</sup> Table 4 – CRGA Paper 7.3.



35. *2007 budget* – 2007 was a reasonable year for SPC’s finances. The delayed receipt of assessed contributions, including the agreed 10 per cent increase, meant that we were unable to fill a number of positions earlier in the year, such as those for the Pohnpei regional office. We undertook a core budget revision after mid-year and present a balanced revised core budget in CRGA Paper 7.2. In relation to non-core funding, there was a mixed picture in 2007, with substantial new financing from the European Union for fisheries and agriculture under EDF 9 and from AusAID for the non-communicable disease initiative, gender-based violence research and the Pacific RICS. However, funding for the regional HIV and AIDS strategy is coming to an end in 2008 and funding from Global Fund Round 2 is also coming to an end in June 2008, creating uncertainties in funding levels for these important priorities beyond 2008.
36. *SPC funding by source of funds*. Of the total 2007 budget of 45,018,000 CFP units, 9,828,500 (21.8%) is core income, 90 per cent of which comes from the four metropolitan members, and 10 per cent from the 22 PICTs; 57.6 per cent of the total budget (25,911,629 CFP units) comes from SPC members and 42.4 per cent from non-members; 85 per cent of SPC’s total funding for 2007 comes from four members (Australia, France, New Zealand and the United States) and six non-member sources (European Union, Global Fund, ADB, UNFPA, GEF and GTZ). Table 1 below shows the sources of funds for the 2007 SPC budget.

**Table 1: Sources of funds for the 2007 SPC budget**

Source of funding	% of funding based on total income of 45,018,000 CFP units
Australia (including ACIAR)	31.89
New Zealand	12.05
EU	11.44
France	8.01
Global Fund	7.72
ADB (+consultancies)	3.91
United States of America (including CDC)	3.63
UNFPA	2.67
GEF	2.55
GTZ	2.04
WCPFC	1.24
UNICEF	1.14
9 other development partners	9.5
22 PICTs	2.2

37. *Arrears in assessed contributions* – The Secretariat has received a clean audit report for our 2006 Accounts for the eleventh year in a row, a good achievement. In their letter to the Secretariat, the SPC auditors, Deloitte Touche Tohmatsu, again raised their concerns about unpaid arrears in assessed contributions. The secretariat requests members with outstanding arrears to pay them or discuss with the secretariat, as soon as possible, a schedule to settle all outstanding arrears within an agreed time.

#### **AREAS FOR SPECIAL FOCUS FOR 2007 AND BEYOND**

38. *Issues for special executive attention* – A number of key issues will form part of my agenda for 2008 onwards. They include the following:
- i. *Implement* decisions by CRGA 37 and the 5<sup>th</sup> Conference of the Pacific Community.

- ii. *Implement the Corporate Plan 2007– 2012* with particular emphasis on the following:
- a) *Under Pillar 1 – Increased focus on member priorities*
- *Complete mapping exercises on:*
    - the health sector – priorities, stakeholders and sources of funding – as a basis for developing an overarching framework of priorities in the region’s health sector
    - the forestry sector – inventory of logging companies in PICTs
  - *Commission with FFA a joint study on ‘The future of Pacific Fisheries’* for presentation at next year’s meetings of Ministers of Fisheries (jointly hosted by FFA/SPC); FFC; Forum Leaders and CRGA.
  - *Mobilise resources* to roll-out fisheries stock assessments and ecosystems analyses in PICTs.
  - *JCS* – complete at least six JCS for presentation to CRGA 38
  - *Country profiles* – refine content and complete profiles for at least the countries for which JCS have been done in 2008.
- b) *Under Pillar 2 – Strategic engagement at national, regional and international levels.*
- *Tax situation for Fiji nationals working at SPC, Fiji.* Negotiate an amicable arrangement with the Government of Fiji for presentation to CRGA 38 in 2008.
  - *RIF follow-up.* Depending on the decision by Conference and the governing bodies of SOPAC, SPBEA and SPREP, there may need to be follow-up action in this area.
  - *Pacific Plan initiatives* – These will require continued attention in 2008.
  - *Host-country agreements* – depending on the decision by CRGA/Conference, a draft agreement will be drawn up for discussion at CRGA 38.
  - *Office and staff accommodation* will remain on the 2008 agenda
  - *Communication backbone with Pohnpei regional office* – providing the Pohnpei office with a high-speed internet connection with video-conferencing capability is a priority for 2008.
  - *CROP high-level consultations* – Initiate consultations with SOPAC and SPREP, maintain consultations with FFA and PIFS, and explore opportunities for consultations with other CROP agencies.
  - *Other high-level consultations* – continue existing arrangements with UN agencies, and explore opportunities for a similar mechanism with other international and regional stakeholders.
  - *South Pacific Information Network (SPIN) initiative* – SPC and PIFS have been formally asked by leaders of the 12 participating PICTs to continue to facilitate the process.
  - *Pacific RICS implementation* – Monitoring the implementation of this network will be a priority for 2008.
  - *One laptop per child initiative* – SPC has been requested by PPAC to coordinate more country pilots in 2008 with involvement of Ministries of Education, and to report back to PPAC in October 2008.

- c) *Under Pillar 3 – Strategic positioning of the organisation*
- *Appointment* of the full complement of executive and senior management staff
  - *Expansion* of the strategic engagement, policy and planning facility
  - *Mobilise* resources to reduce bottlenecks in programme support services
  - *Complete* policy framework to guide programme/service location; decentralisation; and resource allocation
  - Draft policy framework or host country agreement dealing with formal recognition of SPC by each member or host country in which SPC has a national presence
  - Human resource issues will be a continued focus for 2008

## CONCLUSION

39. This has been a very busy but rewarding year for the organisation in serving our members. We have been blessed by the kindness of our development partners, who have not only sustained the level of resources they provided in 2006, but have also picked up new priorities under the auspices of the Pacific Plan. This has provided new resources in a number of key areas that could unlock new economic potential for many of our members.

40. We have pushed the boundaries in a number of areas, in particular in leading the implementation of the Pacific Plan digital strategy. It is pleasing to be able to report success in this regard, with the low-cost Pacific rural internet connectivity system funded by the Australian government now beginning to be implemented. In addition, France announced its support for the new SPIN submarine cable initiative at the recent Forum Leaders meeting. These two major initiatives set new milestones for the region: they have financial backing; they spring from a platform that was agreed to by all leaders in the region, including the leaders of non-Forum members of SPC; and they have been achieved within a very short time. We pay tribute to Australia and France and other development partners who through their assistance are helping to translate opportunities into realities. These two initiatives, and the OLPC initiative, are outstanding examples to other regions of the potential benefits of effective regional cooperation and strategic sharing of a vision and pooling of resources.

41. We have focused strongly on the priorities of our members as you will see from the presentations by our divisions and work programmes. We have addressed bottlenecks in our systems to enhance our efficiency. However, we do need additional resources to ensure that the solutions we have identified to improve performance can be put in place during 2008.

42. We thank all our members for your patience and most importantly for your confidence that SPC can assist your development processes and support your achievement of your development goals.

43. We thank all our development partners for your trust in SPC, your belief in the value of our work, and for the resources that enable us to make a difference in the lives of Pacific Island people. As clearly shown in Table 1, you contribute a huge proportion of SPC's total budget. On behalf of our members and our organisation, I thank you all most sincerely.

44. This region is unique in that it is the one region in the world where there is potential to achieve excellent results with relatively small investments if initiatives are well directed and executed. To make this happen, however, we need to be bold and to move away from the incremental approaches that have underpinned many development plans and regional approaches. The best way forward, in my humble opinion, is first to ask the question 'Where does the region want to be?' in a particular area. Then ask 'What does it need to do and what resources are required to get there?' Then we can mobilise these resources. Interestingly, in many cases, the task of finding the resources required is not as daunting as it might seem. Rather, not asking the right questions is the cause of much inertia and uncertainty about whether or not to move forward, even when resources are likely to be available.

45. The biggest challenge for me in managing SPC over the past two years has nothing to do with having a vision of where the region wants to be, nor with lack of knowledge of how to get there, nor with convincing development partners about the best way to get there. Rather, it has been the inability of all partners to collectively move forward to implement the position we all agree is the right one. The various constraints we face in our own jurisdictions prevent us from taking the decisions needed to achieve the results we need.

46. I am acutely aware that I may be close to overstepping my limits in this last paragraph. My only defence is a passion for the development of our region. There are many who share this passion. I can, however, only state my own case. The next two years offer a tremendous but a narrow window of opportunity when the stars are aligned in the right direction to enable the region to collectively achieve much more for the region and Pacific Island people than at any other time. It will however take vision, leadership, commitment and passion to make the best use of the opportunity. If we genuinely engage with other CROP agencies, our members and partners, the vision of the Pacific Plan and SPC's own vision embodied in our Corporate Plan are achievable and I see my job as helping to make that happen.

47. In closing, I come back to my staff, your staff. I regret that in 2007, I have not been home long enough at any one time with my staff – although with three official offices, the word 'home' carries a slightly different meaning for me. This year, Pohnpei has been the home I have not been able to reach. To all SPC staff, located in 17 of our 22 island members, thank you for your service to the region during 2007. I take my hat off to you as I end my report by quoting from Tina Turner, 'you are simply the best'. To your families I express my sincere thanks for allowing you to be part of the SPC team. The region expects even more from us in 2008 and beyond. Keep the flag flying and keep up the good work.

48. To the members of my executive who despite excessive workload during 2007 have excelled beyond my expectations, my sincere thanks. 2007 was the first full year for both my deputies, Falani Aukuso and Richard Mann. Both went through tremendous work rate, dare I say, at times to the detriment of their own families and health. My three divisional heads, Aleki Sisifa, Tim Adams and Louni Hanipale Mose thank you for your efforts of 2007. It has been a trying but rewarding year.

49. To the distinguished delegates at CRGA 37 and the 5<sup>th</sup> Conference of the Pacific Community, may God bless us and grant us wisdom as we deliberate the important issues affecting Pacific Island countries and territories and their people this week. I commend my 2007 report for your consideration.