

**SECRETARIAT OF THE PACIFIC COMMUNITY****FORTY-THIRD MEETING OF THE  
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**  
(Suva, Fiji, 12–15 November 2013)**AGENDA ITEM 2.1.1 - DIRECTOR GENERAL'S 2013 OVERVIEW REPORT**

(Paper presented by the Secretariat)

**SUMMARY**

1. In my final report to CRGA and Conference I share some reflections on my early years at SPC and, in particular, on my time as Director-General.
2. Two topics dominated the region's agenda from 2006 to 2011 in the six years after I was appointed Director-General – the Pacific Plan and the reform of the regional institutional framework (RIF). Ironically, both were driven by processes outside of SPC, but SPC had to engage with them strategically to define and consolidate its place and role in the region's development agenda.
3. Over the past eight years, I believe that SPC has achieved many successes of which we can be proud, despite also facing many challenges. We decentralised our offices and 'moved services closer to people'; we expanded our partnerships with national, regional and international organisations; we increased our donor base and funding portfolio; and we invested in enhancing governance within the organisation.
4. The commissioning of the independent external review (IER) of SPC, with the approval of CRGA and Conference, and the resulting report and subsequent implementation of its recommendations have lifted our profile and strengthened the confidence of members and partners that SPC is a serious organisation, not afraid to put itself under the microscope, accountable, and focused on achieving results, with a demonstrated record in service delivery.

**RECOMMENDATIONS**

5. CRGA is invited to consider the Director-General's overview report and:
  - i. acknowledge the challenges faced and successes achieved by SPC during the eight-year tenure of the Director-General;
  - ii. consider writing a letter of commendation of Mr William Forsyth to the Government of Australia requesting its consideration to award posthumously a recognition to Mr Forsyth for his services to the region and for sharing the vision that became the first example of regional cooperation in the Pacific;
  - iii. discuss the key areas that will require CRGA decisions when they are individually tabled for discussion;

- iv. discuss the key challenges outlined in the report that will require continued action by the incoming Director-General and the leadership team;
  - v. note and endorse as appropriate the Director-General's proposal to implement a revised salary banding structure from 2014 to help SPC address the serious problem it has in attracting and retaining staff, recognising that implementing the proposal is unlikely to have major financial implications;
  - vi. establish a subcommittee comprising the current, former and incoming Chairpersons of CRGA to consider the appropriate salary band for the position of SPC Director-General, based on the size and scope of the position relative to CEO positions in other CROP (Council of Regional Organisations in the Pacific) agencies, and table its recommendations to CRGA 44.
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## **DIRECTOR-GENERAL'S 2013 OVERVIEW REPORT**

### **Preamble**

1. Warm greetings from the secretariat of your organisation, the Secretariat of the Pacific Community, and welcome to the 43<sup>rd</sup> meeting of CRGA.
2. This report to CRGA 43 and the 8<sup>th</sup> Conference of the Pacific Community is my final one as Director-General of SPC. The report shares some reflections on SPC's journey during my time at SPC, in particular over the past eight years of my tenure as Director-General, and concludes with some thoughts on the opportunities and challenges that still lie ahead.
3. The past year has been both challenging and productive for SPC. I hope 2013 will be remembered as the year in which the foundation for the future of SPC was further strengthened and consolidated. In this regard, I will break from tradition and right at the start of my report, pay tribute to the commitment and dedication of all the staff of SPC and their families, in particular my full executive team, for the extremely positive way in which they rallied to support the implementation of the IER recommendations, and coped with the enormous change agenda SPC went through during the year. Through all this they continued to deliver excellent services to members despite the pressures and, for many, the uncertainties they faced during the year. I sum up the spirit of SPC staff in 2013 in three words – honour, dedication and commitment. They honoured their call to duty through unquestioning dedication and commitment. In 2013, I saw in my staff, your staff, the spirit and camaraderie that make them a unique group of people. They rose to the challenge and put aside their uncertainties. Adversity brought out the best in them, as individuals, as people, as a team and as an organisation – I am proud of them and you should be as well. So before going on with the rest of my report, I wish first to commend the work of my staff – your staff – as the people responsible for the many positive things we will share with you at this year's meeting of CRGA and Conference. It is my fervent hope that you will remember these words when you consider the agenda items at this meeting that deal more specifically with the issues that impact directly on the livelihoods and the ability of your staff to continue to perform in a manner that demonstrates exemplary regional public service.

### **Reflections – key highlights in my early years at SPC**

4. The following paragraphs give a brief view of some key highlights during the early years of my SPC tenure. They are not meant to be comprehensive but rather to highlight important points in SPC's journey, including key events that took place outside of 'SPC's span of control', but which had direct impact on SPC's work and its role in the broader regional development agenda.
5. SPC was a much smaller organisation when I joined in May 1996 as Director of Programmes. The executive structure comprised the Secretary General, the Director of Programmes and the Director of Services – referred to as the Principal Officers. All three principal officers were based at headquarters in Noumea. An external review in 1996 recommended changing the titles of the principal officers to Director-General and Deputy Directors-General (DDGs), which was accepted by the 1996 South Pacific Conference in Saipan, Commonwealth of the Northern Mariana Islands.
6. The total number of staff in 1996 was around 160 with a total budget of about 12 million CFP units. The majority of staff (approximately 120) were located in Noumea. There was a small regional office in Suva, which then comprised the regional agriculture programme, the Community Education Training Centre (CETC) and the regional media centre. The Director of Programmes was responsible for all of SPC's technical programmes and the Director of Services was responsible for all support services. This arrangement was modified following the 1996 review to share programmatic responsibilities between the two DDGs. Interestingly, one of the key recommendations made by the 2012 independent external review (IER) relating to the reform of SPC's senior management team has

re-established the 1996 structure. As a result, the Deputy Director-General, Programmes, is responsible for all of SPC's technical services, and the Deputy Director-General, Operations and Management, is responsible for all support services.

7. Australia hosted the 50<sup>th</sup> Anniversary Conference in 1997 in the city of SPC's birth – Canberra. This Conference changed the name of SPC from the South Pacific Commission to the 'Pacific Community'. To retain the SPC abbreviation, the secretariat that supports the organisation became the Secretariat of the Pacific Community. The 1997 Conference was thus the last 'South Pacific Conference'. A decision was taken that under its new name, the Conference would be held every two years, with the 1<sup>st</sup> Conference of the Pacific Community to be hosted by French Polynesia in 1999. The United Kingdom announced its intention to re-enter the membership of SPC at the Canberra Conference and was welcomed back to the fold the following year.
8. In 1998, Director-General Bob Dun decided to re-locate one of the two DDG positions to the Fiji regional office. This decision was based on the fact that by 1998, SPC's presence in Fiji had grown. Even more important was the increasing realisation at headquarters that many of the meetings and decision-making processes – the regional dynamics – that had direct impacts on SPC were occurring on a regular basis in Fiji between Fiji-based organisations. If SPC was to be involved, it had to participate at a senior level and be part of the regular discussions on the region's development agenda. At the time, 10 of SPC's members already had diplomatic missions in Fiji. Many United Nations (UN) agencies and other international organisations that SPC works with now also have their offices in Fiji, as do key multilateral development partners. Five of the regional organisations that SPC collaborates with have their headquarters in Fiji. This turned out to be a valuable strategic decision, which not only lifted SPC's profile but ensured its ability to participate effectively in discussions on the regional development agenda. I had the honour of being the first DDG located at SPC's Fiji regional office, from January 1998.
9. French Polynesia hosted the 1<sup>st</sup> Conference of the Pacific Community in 1999. This Conference (i) adopted the 'Tahiti Nui Declaration', which describes the major operational policies and mechanisms of the organisation and was last updated by the 7<sup>th</sup> Conference in 2011; (ii) approved the establishment of project management fees; and (iii) approved the Pacific Village project to provide a consolidated office for SPC in Fiji. A key event at the 1999 Conference was the changing of the guard with Bob Dun handing over the leadership of SPC to Lourdes Pangelinan of Guam, who took up the position of Director-General in January 2000.
10. The year 2000 was particularly challenging for SPC in relation to its operations in Fiji and Solomon Islands. In both countries, political events impacted SPC's ability to sustain its delivery of services to members. Fortunately, SPC's technical and scientific mandate meant its work and services were able to continue in Fiji. As a result, SPC came out of the 2000 events in a much stronger position than other Fiji-based regional organisations, based on its focus on supporting development in rural and remote areas where its technical assistance continued to provide significant benefits for local communities. In Solomon Islands, we had to relocate an important regional research project on gender-based violence to Samoa, with the agreement of the Governments of both Solomon Islands and Samoa.
11. In 2002, the first major investments in addressing health challenges at the regional level came with the entry on the scene of the Global Fund to fight HIV/AIDS, Tuberculosis and Malaria; Australia's investment in influenza pandemic preparedness; and funding from Australia and New Zealand for addressing HIV and AIDS and non-communicable diseases.
12. In 2003, the United Kingdom announced its intention to withdraw for the second time from membership of SPC. Pacific Forum leaders commissioned an 'Eminent Persons Group (EPG)' led by Sir Julius Chan, Former Prime Minister of Papua New Guinea, to carry out a review of the Forum and its secretariat.

13. The United Kingdom withdrew from SPC membership in 2004. Pacific Forum leaders, through the 'Auckland Declaration', approved the development of the Pacific Plan<sup>1</sup> on the recommendation of the EPG. The Suva-based SPC DDG was seconded to the Forum Secretariat for two months to assist in the early analytical work that fed into the development of the Pacific Plan.
14. SPC commissioned an external review of SPC led by Senator Caleb Otto from Palau in early 2005. The recommendations of the review were presented to the 4<sup>th</sup> Conference of the Pacific Community hosted by Palau in Koror, 2005. Two major recommendations of this review were to further decentralise SPC's services 'to move services closer to people', and to develop longer-term joint country strategies. The Palau Conference also saw the changing of the guard, with Lourdes Pangelinan handing the reins to me, effective January 2006. At their Madang meeting in October 2005, Pacific Forum leaders approved two other important decisions that had significant impact on SPC: (i) the Pacific Plan for strengthening regional cooperation and integration; and (ii) the review of the regional institutional framework (RIF).
15. Director-General Lourdes Pangelinan's final legacy to SPC was to sign the host country agreement with the President of the Federated States of Micronesia (FSM) for the establishment of the North Pacific Regional Office of SPC in Pohnpei in January 2006. Later the same month, I took on the mantle of leading SPC.

#### **Reflections – some key highlights during my tenure as Director-General**

16. In my first report as Director-General to CRGA 36 in 2006, I made reference to the findings and recommendations of the 2005 review as follows:

*The 2005 corporate review paid SPC a high compliment as a regional organisation by stating that the view of the membership was that SPC was 'providing real solutions to real problems' ... 'an organisation that belonged to them, they owned it' ... 'a silent achiever'. However, the review also called for SPC to become more strategic, and to assume a greater leadership role in identifying and advocating for regional priorities; to improve communication with national decision-makers; to move services even closer to people through strategic decentralisation, and pooling and strategic allocation of resources; and to focus more on assessing impacts and outcomes.*

17. As the incoming Director-General (DG) in 2006 I felt it was crucial to establish the underlying objectives of my term. It was important to set the scene on which my performance as DG would be measured. My response to the recommendations of the 2005 review, as endorsed by the 4<sup>th</sup> Conference of the Pacific Community in Palau in 2005, was to repackage the way we saw our role into three strategic objectives relating to: (i) our members (increased focus on members' priorities); (ii) our partners (strategic engagement at national, regional and international levels); and (iii) our strategic positioning (to ensure SPC was well-placed to achieve the other two objectives). In my report to CRGA 36, I made the following observations:

*Organisational development and management is not a static concept. Our organisational leadership must always proactively analyse the national, regional and international events and other trends impacting on the region, our members, and our organisation to ensure we can position ourselves to engage appropriately as situations demand. In this regard, our objectives for 2006 and beyond need to link to the bigger picture of longer term regional development for our members. This big picture involves asking questions such as:*

- *Where do we see the region in five, ten, fifteen, twenty or twenty-five years time?*
- *Where do we see individual member PICTs during this period?*
- *What critical challenges are likely to face the region, or individual member PICTs in the next five to twenty-five years?*

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<sup>1</sup> The Auckland Declaration – Pacific Islands Forum Special Leaders' Retreat, April 2004.

- *What are the likely scenarios relating to the balance between population and available natural (and other) resources in each of our member PICTs in the next five to twenty-five years? and*
- *What are their capacities to cope with, and/or manage the changes?*
- *What are the likely scenarios with regards to the regional agenda? The international agenda? Our development partners' agenda?*
- *Where/How do we see SPC in the next five, ten, fifteen, twenty or twenty-five years? and*
- *How can SPC (and other partners) better influence the achievement of the type of region we all want to see<sup>2,3</sup>.*

*SPC work programmes must ultimately link to these longer term big picture issues<sup>4</sup>, expressed through the various corporate, divisional, programme and individual plans and objectives.*

*The culmination of the ideas expressed in the foregoing paragraphs, in my view, is the urgent need to repackage SPC's services into strategic groupings that (i) best describe what we do and who our primary clients are; (ii) identify who our partners are and how we engage; and (iii) provide a focus on how the organisation should be positioned and managed to achieve the greatest impact. This underlying philosophy led me to repackage SPC's services on the basis of three pillars, with the aim of clarifying the organisation's focus on what it is about. The three pillars are not new; what is new is the 'honing in' of SPC's focus based on these three distinct but inter-related pillars<sup>5</sup>:*

- i. Increased focus on member priorities*
- ii. Strategic engagement at national, regional and international levels*
- iii. Strategic positioning of SPC – to accomplish (i) and (ii).*

18. The hallmark of my tenure as Director-General has been to develop a focus on the three interdependent pillars of SPC, highlighting the point that everything SPC does aims to fulfil the needs of the first pillar (our members). But, acknowledging that SPC is only one of many players with the same objective, we then acknowledge the existence of others and collaborate with them through strategic and operational partnerships (pillar 2) to achieve greater results for our members (pillar 1). At the same time, we recognise that to be able to deliver against pillars 1 and 2, SPC needs to strengthen its own capacity and strategically position itself to transform opportunities into results for members (pillar 3). These three pillars provided the foundation for SPC's corporate plan for 2007–2012 and also underpin the corporate strategic plan for 2013–2015.
19. In the interest of brevity, I will now focus on just a few examples of key highlights reflecting some of the key challenges and achievements during my tenure as Director-General from January 2006 to 2013. Some of the highlights reflect priorities driven by broader regional prioritisation processes outside SPC's sphere of control that we needed to engage with due to their impact on our work.

## **Key highlights**

### **A. Pacific Plan and the reform of the regional institutional framework (RIF)**

20. Two topics dominated the region's agenda in the period 2006–2011: the Pacific Plan and the reform of the regional institutional framework (RIF). Both coincided with my six-year term as DG. Ironically both were driven by processes outside of SPC, but SPC had to engage strategically in them to define and consolidate its place and role in the region's development agenda.

<sup>2</sup> SPC Corporate Plan – Vision for the region.

<sup>3</sup> Forum Leaders' – Vision for the region in the Pacific Plan.

<sup>4</sup> Origin of the notion to establish a team of 'senior advisers / experts' to take on some of the big picture analysis and positioning issues.

<sup>5</sup> DG's objectives for 2006–2007 presented at the March 2006 'executive visioning and planning' seminar.

21. The *'Pacific Plan for Regional Cooperation and Integration'* (the plan) was initiated by Pacific leaders in 2004 to enhance and deepen regional cooperation and integration between the sovereign countries of the Pacific and identify and jointly implement initiatives where the region could gain from sharing resources, governance arrangements and aligning of policies. It was endorsed by leaders at the 36<sup>th</sup> Pacific Islands Forum meeting in Papua New Guinea (Kalibobo Road Map) in 2005 with the goal of enhancing and stimulating economic growth, sustainable development, good governance and security for Pacific countries through regionalism – the four pillars of the plan.
22. For SPC, the Pacific Plan posed a political and operational challenge. While the goals of the plan were well-intended, the fact that they were approved by Forum leaders as a *'fait accompli'* to be implemented by all CROP organisations created a transient yet real political challenge for the 10 members of SPC that are not members of the Forum. They were therefore not party to, nor could they be bound by decisions made by Forum leaders in relation to the Pacific Plan. The issue was not the intentions of the plan, which were easily understood, but rather the question, *'Can the governing body of one organisation (in this case, the Forum leaders) determine the work programme of another organisation that is answerable to a different governing body (in this case, the Conference of the Pacific Community), which has a different and much larger membership?'* In addition, the SPC governing body had not considered and approved the Pacific Plan concept in its own right and therefore had not independently sanctioned SPC's involvement with the plan.
23. The 5<sup>th</sup> Conference of the Pacific Community in Apia in 1997 gave qualified support to the Pacific Plan and SPC's involvement in its implementation, acknowledging that the vast majority of the Pacific Plan priorities at the time comprised the core business of SPC, which is approved by its governing body. The secretariat produced a series of three publications entitled *'SPC and the Pacific Plan'* covering the period from 2006 through to 2011 to clearly demonstrate the linkages between the Pacific Plan priorities and SPC's own work programme. The totality of the information demonstrated that when SPC is delivering on its own work programme, approved by SPC's governing body and funded under its own budget, it is at the same time delivering against the goals and objectives of the Pacific Plan.
24. In this regard, SPC became the largest implementing agency of the priorities of the Pacific Plan and is the only CROP agency that has produced a significant publication quantifying the magnitude and impact of its involvement in the Pacific Plan. It is my view that its involvement in the Pacific Plan advanced SPC's reputation as a serious regional organisation clearly focused on assisting its island members. The fact that this focus was supported and enabled by the understanding of its governing body made SPC all the stronger and more relevant to its members and partners alike as an *'enabling and achieving organisation'*.
25. As noted in CRGA Paper 5.6 – *'Findings of the Pacific Plan review and possible implications for SPC'*, the secretariat shared with the review team some *'lessons learnt'*. We are pleased that some of these lessons are captured in the concept paper and suggestions for successor arrangements and are also reflected in the key elements of the proposed Framework for Pacific Integration to succeed the plan. The secretariat believes that any successor to the plan must focus on higher political and strategic levels, as proposed in the framework. Operational aspects relating to priorities that fall within the scope of regional organisations should be left to these organisations and their governing bodies. These views echo those of the review team.
26. *The RIF reform was by far the biggest challenge that SPC and I as incumbent Director-General faced during my tenure.* The intent of the reform was noble. The political decision was easy to make. However, implementing this political decision was the most challenging aspect of the reform, which was the largest and the most complex to be undertaken in the region. Seen from a simplistic viewpoint, it involved structuring the (then) 10 independent regional organisations into three broad categories – political, technical/scientific, and educational, and further integrating the five technical agencies grouped in the technical scientific category at the time (2006) – FFA, SOPAC, SPBEA, SPC and

SPREP – into a single technical and scientific organisation. While the concept of the three categories of organisations was accepted, the composition of the technical and scientific grouping was not.

27. At the 38th Pacific Islands Forum in Tonga in October 2007, Forum leaders decided on the new regional institutional architecture as follows:

*Leaders agreed to:*

- i. the inclusion of the Pacific Islands Forum Fisheries Agency (FFA) into Pillar 1, in order to recognise the Agency's central regional role and to provide fisheries issues with the political profile they require;*
  - ii. the need to rationalise the functions of the Pacific Islands Applied Geoscience Commission (SOPAC) with the work programmes of the Secretariat of the Pacific Community (SPC) and the Secretariat of the Pacific Regional Environment Programme (SPREP) with the view to absorbing those functions of SOPAC into SPC and SPREP;*
  - iii. the South Pacific Bureau for Educational Assessment (SPBEA) merging into SPC; and*
  - iv. the University of the South Pacific (USP) and the Fiji School of Medicine forming part of Pillar 3 (Education).*
28. As in the case of the Pacific Plan, the SPC governing body was not involved in the decision made by Forum leaders on the RIF. Managing the implementation of this decision has been the toughest assignment of my whole tenure.
29. The final decision on the regional architecture was made in October 2007. Implementation of Pillars 1 and 3 did not require any further work. However, it took a further four years to fully implement the decision on Pillar 2 organisations. The challenges were both legal and institutional. The four organisations now grouped under Pillar 2 all had legal foundations that had to be addressed before any merger was possible. They all had separate governing bodies that were not convinced the reform was needed. There was a noticeable division in the membership of the various governing bodies, with some welcoming the proposed reforms and others being strongly against. The leadership of each of the affected organisations also had different views. Some were not convinced of the value of the proposed reforms, viewing them as a 'take-over'. And then there were the staff of each of the affected organisations – many were also not convinced the reform was necessary and were concerned about the effects on their work and on their livelihoods.
30. I took the view very early in the piece that the political decision directing this reform occurred under my watch and it was my job to lead SPC's engagement in the process and manage it to achieve a 'win-win' for all involved. The first win was receiving assurance from the SPC governing body that SPC should engage and in so doing should also consolidate its place and role in the region's development agenda – an objective which I am happy to say has been achieved for SPC as a key outcome of the RIF reform process.
31. I pay particular tribute to my CEO colleagues in SPREP (Asterio Takeshy, Kosi Latu, Acting Director of SPREP in 2008–2009, and David Sheppard) and of the then stand-alone organisations, SOPAC (Cristelle Pratt and Russell Howorth) and SPBEA (Ana Raivoce). Despite our personal views on RIF, we worked collaboratively to achieve the recommended restructure of Pillar 2 organisations by January 2012. I also pay tribute to Mr Greg Urwin, former Secretary General of the Pacific Islands Forum Secretariat, and Tuiloma Neroni Slade, current Secretary General, for their support in nurturing the process.
32. Credit for the ultimate success in implementing the RIF is due to the respective governing bodies of the participating organisations. In this regard, I pay tribute to the then Minister for Lands, Geology, Mines, Energy and Rural Water Supply of the Government of the Republic of Vanuatu and Chairperson of the SOPAC Council, Hon. Paul Telukluk, for his leadership during what was perhaps the most critical phase of the RIF process for SOPAC and SPC and the SOPAC Council. I also pay tribute to Dr Viliami Fukofuka, Director of Education of the Government of the Kingdom of Tonga

and Chairperson of the SPBEA Board, for his leadership during the transitional year of SPBEA's integration with SPC. Finally, I pay tribute to my own governing body and the respective Chairpersons since 2006 who have guided me through a process that has resulted in a stronger organisation.

33. Given the many different aspects of the RIF, including the legal and institutional ones, achieving full structural implementation within four years is a major achievement in the Pacific context. Staff perspectives have also changed, many now acknowledging the benefits of the merger, as have many of our members. I especially pay tribute to Russell Howorth for his role in the final 'bedding-down' of the SOPAC/SPC integration. It is my considered view that without Russell's targeted and milestone-based approach to the integration we would not have achieved the structural integration in 2012. For this I give my special thanks to Russell for his contribution to achieving the objectives of the RIF reform.
34. The intricacies and challenges of implementing the RIF are worthy of a book and are best left for that. Suffice to say it was a trying period in which respect and friendship were tested to the limit. Miracles were seen when my wife and I survived a horror road accident without so much as a scratch when rushing between two consultations involving the SOPAC/SPC merger that went late into the early hours of the morning in Suva and then to Nadi for an SPBEA/SPC RIF consultation beginning early the same morning. This experience was a sober reminder to me that life is precious, and that in taking on the tasks bestowed on us we must approach them in a way that does not put the lives of others and our own at undue risk.
35. I end the story on RIF by conveying my sincere appreciation to my SPC team who supported me during this period, my executive team and the SPC staff, who while themselves concerned about what it would all mean, gave their selfless support to ensure we achieved a win-win solution in the integration of three separate organisations into one.
36. I believe we have achieved the strategic objective of the RIF reform and while further refinements are still needed, members have experienced increased value in the services delivered by SPC as a result of the merger of three organisations into one strong organisation.

#### **B. Increased focus on member priorities**

37. This pillar, which underpins SPC's previous and current corporate strategic plans, has attracted the lion's share of SPC's time, effort and resources over the past eight years. It is the primary reason for SPC's existence – its *raison d'être*. As in previous CRGA meetings, all our technical divisions will table presentations on the benefits SPC members have derived from our services. Below are two examples demonstrating how SPC's work is guided by the priorities of its members and how we have moved services 'closer to people' – both being key recommendations of the 2005 external review of SPC. Going forward, SPC's corporate strategic plan 2013–2015 proposes a new way of working to ensure members' priorities remain central to SPC's work.
  - i. *Development of joint country strategies (JCS) with each island member* – Between 2006 and 2013, SPC worked with all 22 island countries and territories to develop joint country strategies to guide our engagement at the country level. The main feature of each JCS is that it is developed jointly between the member and SPC, based on the national development priorities of each member in areas that SPC has the capacity to support. Many of the JCSs are now in need of review and updating. We have commenced the review process this year beginning with Kiribati and Cook Islands, with Solomon Islands occurring after CRGA and Conference. The secretariat will work with members on a schedule to complete the review and update of all JCSs within the next 24 months.
  - ii. *Decentralisation* – The secretariat has implemented the instructions of the 4<sup>th</sup> Conference to decentralise and 'move services closer to people'. In addition to its headquarters in Noumea

and regional office in Fiji, SPC formally opened its North Pacific Regional Office (NPRO) in Pohnpei, Federated States of Micronesia, in January 2006, and a country office in Solomon Islands in February 2009. Additionally, we signed host country agreements with Vanuatu (October 2009); Marshall Islands (November 2010); Palau (December 2010) and Tonga (September 2011 at the margins of the Forum meeting in Auckland) to enable the deployment of SPC project staff to these countries where an in-country presence is necessary to lead and manage projects on the ground.

**C. Strategic engagement at the national, regional and international levels – fostering organisational relationships and partnerships**

38. Acknowledging that SPC is only one of many players in the region's development agenda, much effort has been invested in building organisational relationships, partnerships and collaborative efforts to support the development objectives of SPC's island members over the past eight years. Below are examples of some of the partnerships we nurtured during the period.

- i. *Council of Regional Organisations in the Pacific (CROP)* – This informal body comprising the chief executive officers of the region's nine intergovernmental organisations – FFA, Pacific Aviation Safety Office (PASO), Pacific Islands Development Programme (PIDP), PIFS, Pacific Power Association (PPA), SPC, SPREP, South Pacific Tourism Organisation (SPTO), and USP – constitutes the region's highest-level advisers in the areas under their respective jurisdictions. CROP executives meet formally once each year and are supported by a number of inter-organisational working groups that focus on specific development priorities for the region. The CROP mechanism has provided analytical support on important priorities to island members including, for instance, for their inputs to the post-2015 development agenda process. CROP has become a more cohesive force focused on supporting the collective membership. However there is still room for improvement – especially in relation to joint prioritisation and programming at country level and joint discussions with development partners. One area that has not really worked out for SPC under the CROP process is the CROP remuneration harmonisation policy, which I will address later in this report.
- ii. *Enhanced engagement with international and multilateral organisations* – SPC greatly values the excellent relationship and engagement it currently enjoys with the European Commission, the Global Fund, the World Bank, the Asian Development Bank, the Global Environment Facility, the Australian Centre for International Agricultural Research, the Western and Central Pacific Fisheries Commission and United Nations agencies – in particular the World Health Organization (WHO); the United Nations Children's Fund (UNICEF); the United Nations Population Fund (UNFPA); the United Nations Development Programme (UNDP); UN Women; the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP); the United Nations Educational, Scientific and Cultural Organization (UNESCO); and the International Labour Organization (ILO). All have provided substantial financial or technical resources to support the work of SPC in the region. I make particular mention of the European Union and the Global Fund, which over the past five years have been the second and third largest contributors to the SPC budget respectively. Our special relationship with WHO in the field of health continues to strengthen, as does our partnership with many of the UN agencies based in the Pacific. This will be an important area for continued attention by the new SPC executive team.
- iii. *Quintilateral partnership on health* – SPC is a member of a quintilateral group, along with Australia, New Zealand, the World Bank and WHO, whose members bring their intellectual and financial resources to bear to assist PICTs in addressing key health issues or issues affecting health in the region. The group recently developed a policy paper on non-communicable diseases that was discussed at the Forum Economic Ministers Meeting

(FEMM) in July this year. It led to the call by FEMM for the development of a roadmap to address NCDs and for a joint meeting between Pacific Ministers of Health and FEMM in 2014 to join forces in addressing this challenge, which is currently the single largest killer in the Pacific, accounting for almost 80% of all deaths. The group meets annually, and SPC will host its next meeting in Noumea during the first week of December 2013.

- iv. *Formal memoranda of understanding (MOUs) with other organisations* – SPC has signed MOUs with 13 organisations over the past 5 years – WHO, SPREP, USP, SPTO, PPA, the Melanesian Spearhead Group (MSG) Secretariat, Pacific Islands Private Sector Organisation (PIPSO), UNFPA, UNICEF, Caribbean Agriculture and Research Development Institute (CARDI), Pacific Disabilities Forum (PDF), International Union for Conservation of Nature (IUCN) and FFA. These MOUs are extremely useful in setting the principles of cooperation and clarifying roles and partnerships in a region with so many development organisations, and in ensuring complementarity of efforts in areas of mutual interest. We are in the final stages of reviewing draft MOUs to be signed with the African, Caribbean and Pacific Group of States (ACP) Secretariat; the Commonwealth Scientific and Industrial Research Organisation of Australia (CSIRO); and the Commonwealth Secretariat.

#### **D. Strategic positioning of SPC**

39. The strategic positioning of SPC did not just commence when I assumed leadership of the organisation in 2006. It has been an ongoing theme for SPC. What I brought to it was more focus and clarity, a sense of urgency and a progressive strategy focused on one clear goal: to lift the profile of SPC to be the best organisation it can be in the areas it is responsible for. Below are examples of actions that helped position SPC better over the past eight years.
40. *Using the opportunity provided by the Pacific Plan and the RIF reform process to position SPC* – Being confronted with the political decisions on both the Pacific Plan and the RIF reform processes in the first year of my tenure as DG was both a challenge and an opportunity. I took it on as a rare but tremendous opportunity for SPC. Thus, SPC's full engagement in both the Pacific Plan and the RIF reform processes right from their beginning are clear examples of strategically positioning SPC, an investment in time and effort that has subsequently paid off by leaving SPC well positioned in the region's regional organisation architecture.
41. *Regular consultations with SPC's founding members and key development partners* – This was an important part of the strategy, serving to inform SPC's founding members and key partners about SPC's work and the impacts it is having at national level, and also to advocate continued support to the key programmes PICTs (Pacific Island countries and territories) rely on. The regularity of these consultations dropped in the later part of my tenure, a point that was picked up by the IER and that needs correcting given the importance of this role for the DG in future years.
42. *Establishment of the Strategic Engagement, Policy and Planning Facility (SEPPF) in the office of the Director-General* – This is an investment in SPC's future. This facility is the analytical, strategic positioning and results/impact assessment arm of the office of the Director-General. It undertakes strategic analysis of critical issues important to members as well as SPC programmes; it coordinates organisation-wide policies and resource mobilisation; leads the efforts to set standards and evaluate results; and keeps track of resources flowing into the organisation and their utilisation and reporting.
43. *Strengthening the governance role of CRGA* – CRGA 40 in 2010 reaffirmed the dual role of CRGA, comprising (1) the oversight of technical programme delivery (a programmatic function), and (2) a governance role. As part of this reform, the secretariat requested that members include representatives from their technical ministries/departments in their CRGA delegations. On that note it is pleasing to see Papua New Guinea's technical representation at CRGA 43. The governance role of CRGA needs further strengthening and will be discussed in paper 5.2.

44. *Implementing policies on procurement/supply and risk management, and measures to prevent fraud* – Implementing these policies provided assurance to major funders of SPC services that the organisation has systems in place to ensure their investments will be managed well.
45. *Establishment of the internal audit function and the associated Audit and Risk Committee Charter* – CRGA 41 at its meeting in 2011 approved the establishment of an internal audit function at SPC to provide assurance to CRGA and Conference that SPC's systems and processes to address financial and non-financial risks were compliant with best practices. The establishment of the internal audit function was a direct response to recommendations from the institutional audits of SPC commissioned by the EU and the Global Fund to further strengthen its fiduciary systems. The IER further endorsed the establishment of an Audit and Risk Committee. The committee has now met four times since its establishment. It has developed a three-year work plan and has appointed an international audit firm to undertake the work and report to the committee. The chairperson of the committee will table the committee's report to CRGA 43.
46. *Updating of the Tahiti Nui Declaration* – In 2011, CRGA 41 and the 7<sup>th</sup> Conference of the Pacific Community approved the updated version of SPC's operational document, the Tahiti Nui Declaration, thereby giving confidence to partners about the way SPC does business.
47. *2012 Independent External Review (IER) of SPC* – The commissioning of the IER by the Director-General with the approval of CRGA and Conference and the resulting report and subsequent implementation of its recommendations have lifted the profile of SPC and has given confidence to members and partners that it is a serious organisation that is not afraid to put itself under the microscope, is accountable, is focused on results and has a proven track record in service delivery. Annex 1 of this report provides an update on the status of implementation of the recommendations of the review. I am happy to report that we have implemented 37 out of 42 recommendations, are progressing implementation on a further 3, and have deferred implementation of 2 recommendations to 2014.
48. *SPC Corporate Strategic Plan 2013–2015* – The plan reaffirms the vision for SPC and its core business and presents a new way of doing business to achieve greater results. It positions SPC well in its new approach to assisting its island members, it reassures traditional partners that SPC will do its part in considering other ways of increasing its revenue, and it has an ambitious performance framework to measure its achievements against. The plan also allows the incoming DG to help shape SPC's post-2015 agenda.
49. *Updating relevant sections of the Canberra Agreement, SPC's founding international treaty* – A number of past Conference decisions that had been accepted and implemented in practice need to be given legal effect through the appropriate updating of the Canberra Agreement. This will further improve SPC's strategic positioning going into the future.

#### **E. SPC's leadership team**

50. *Strengthening the SPC leadership team* – The leadership of any organisation is key to its positioning. Having the right team in place is a large part of the solution. Over the past 12 months we have undertaken a concerted recruitment drive with the assistance of international recruitment firm EWK International to fill 10 executive positions in addition to the position of Director-General. We have been able to fill 9 of the 10 positions as follows:
  - i. Director of Applied Geoscience and Applied Technology (SOPAC) Division – Professor Michael Petterson
  - ii. Director of Land Resources Division – Mr Inoke Ratukalou
  - iii. Director of Public Health Division – Dr Colin Tukuitonga

- iv. Director of Statistics for Development Division – Dr Gerald Haberkorn
  - v. Director of Fisheries, Aquaculture and Marine Ecosystems Division – offer has been made
  - vi. Director of North Pacific Regional Office – Mr Gerald Zackios
  - vii. Director of Human Resources – Ms Christine Croombes
  - viii. Director of Strategic Engagement, Policy and Planning Facility – Mr Cameron Bowles
  - ix. Deputy Director-General, Operations and Management – Mr Cameron Diver
  - x. Deputy Director-General, Programmes – Mr Fabian McKinnon
51. Seven of the nine appointments were filled by people from outside SPC, and two were filled from within. A key challenge for the new team is first to fully understand what SPC is about and then bring their respective skills to bear to ensure that what SPC is about and what it stands for is strengthened and not eroded or diluted. The potential brought by a predominantly new team of senior leaders is enormous. There is an excellent opportunity to ensure cohesion with a new organisational culture and a new way of doing business that both consolidates and strengthens what SPC is about.
52. In addition, I appointed Ms Patricia Sachs-Cornish as Principal Adviser and Liaison to the DG's office from January this year. This appointment has contributed substantially to what I have been able to drive and achieve as DG in 2013. This position will be invaluable to the new DG. One other person needs to be mentioned in relation to the recruitment of SPC's senior leadership team: Ms Sally AC Herrmann, SPC's Human Resources Adviser (Recruitment and Training), who has now left the regional service. Without Sally's dedicated attention to supporting me in the recruitment of the senior leadership team of SPC, we would not have completed all the recruitments to date. Her efforts have contributed to SPC's strategic positioning in this regard.
53. I also take this opportunity to thank currently serving members of the SPC leadership team: Mrs Fekita Utoikamanu, Deputy Director-General, Suva and caretaker Director of ETHD; Captain John Hogan, Director of the Economic Development Division; Mr John Yee Chief, Acting Director of Finance; Ms Mia Rimon, Manager, Solomon Islands Country Office; and Mr Akhilesh Prasad, Acting Manager, Administration.
54. Let me conclude this part of my report with a special mention and sincere expression of appreciation to two members of my leadership team who have left the regional service of SPC in 2013: Mr Richard Mann, who left SPC in October this year after 15 years of service to the region, and Mr Mike Batty, who has re-joined FFA from SPC in September this year. I pay tribute to both of them and on our behalf thank them for their service to the people of this region through SPC. I wish both well in their future endeavours.

#### **CRGA agenda – key items needing decisions**

55. The most important agenda item for this year's CRGA and Conference meeting is the appointment of SPC's new Director-General, who will succeed me in January 2014. The report from the CRGA Selection Advisory Committee should be available to heads of delegations of CRGA after the committee's final meeting on Monday 11 November 2013.
56. While there are no really sensitive issues on this year's CRGA agenda, below are some key items that warrant CRGA's consideration and decision:
- i. *Agenda item 2.1.2: Corporate Strategic Plan 2013–2017 and the financing plan to support its implementation* – The corporate strategic plan has already been approved by the membership. This paper presents the new approach SPC is taking in the delivery of its services and in addressing the core financing challenges in a more sustainable manner going into the future.
  - ii. *Agenda item 2.4.2A: Human resource issues – recruitment, retention and priority actions* –

This paper presents the assessment directed by CRGA 42 on HR issues facing SPC, including data illustrating retention and recruitment difficulties, for consideration by CRGA 43. The assessment has shown that in the three-year period 2011–2013, SPC experienced an overall staff resignation rate of 47%, with the bulk of resignations most likely due to remuneration issues. The case presented in my overview report to CRGA 42 last year remains valid. I recommend CRGA's endorsement of my submission to CRGA on the modification of the SPC structure that is again summarised in paragraph 57 below.

- iii. *Agenda item 2.4.2B: Annual market data review and FY 2014 salary scales* – This paper provides an assessment of the situation in which CROP agencies involved in the CROP remuneration harmonisation process are implementing recommended adjustments to the harmonised remuneration structure in different ways, leading to anomalies between participating organisations. SPC is recommending a 2% increase in the salaries of all internationally recruited staff and most locally recruited staff, but even with this increase SPC is still behind the other CROP agencies. The increase is catered for in the 2014 budget. I recommend CRGA's approval of the requested increase.
- iv. *Agenda item 3.1: Financial year 2014 budget* – We are presenting a balanced budget totalling 95,357,700 CFP units with approximately 46% coming from members, 47% from non-members and 7% from other sources. A highlight of the budget is that we have been able to finance a number of key areas critical to the organisation's 'engine room' internally. I recommend consideration and approval of the 2014 budget.
- v. *Agenda item 4.1: Audit and Risk Committee (ARC) report* – The chairperson of the ARC will table the committee's report for consideration by CRGA. The ARC has developed its three-year work programme and has appointed an international audit firm to undertake the task. The secretariat is of the view that this is a core function of SPC and has made provision to take on the full cost of this work in its 2015 budget, with some cost-sharing between core and Australia's one-off support to cover the 2014 work programme. I have designated the Deputy Director-General, Operations and Management, Mr Cameron Diver, to be the focal point for SPC's internal audit function and the ARC. I recommend that CRGA acknowledge and commend the work of the Audit and Risk Committee.
- vi. *Agenda item 5.1A: Updating the Canberra Agreement to give legal effect to previous Conference decisions and introduce provisions for other membership categories* – In the course of developing a draft membership policy for the organisation, it became apparent that a number of important political decisions made by the SPC Conference in 1983 and 2007 had been implemented in practice and accepted by all SPC members, but had not yet been given legal effect through appropriate modifications to SPC's founding treaty – the Canberra Agreement. This paper seeks the approval of CRGA and Conference of a process to give legal effect to these decisions. It also seeks approval in principle of the establishment of a new category of membership ('associate member') as well as the category of observer, and of tasking the working group on membership established by CRGA 42 to undertake the detailed work during 2014 and report back to CRGA 43 for final consideration of the relevant amendments to the Canberra Agreement to formalise the decisions on the new categories. The working group on membership will consider the secretariat's proposals at its meeting on Monday 11 November 2013 and will table its observations to CRGA when the item is discussed on the agenda. I recommend CRGA's consideration and endorsement of the secretariat's recommendations.
- vii. *Agenda item 5.1B: SPC membership policy* – This paper relates to Paper 5.1A and deals with the details of the actual draft policy on membership that will also be considered by the working group on membership, with a report back to CRGA 44 in 2014. It will also be considered by the working group on membership on Monday 11 November 2013. I

- recommend CRGA's endorsement of the secretariat's proposal.
- viii. *Agenda item 5.2: SPC governance arrangements – a policy discussion paper* – This paper raises the important issue of CRGA's governance role. Currently, delegates to CRGA undertake two roles as follows:
- a. they represent their countries' interests in relation to SPC's work programmes and the benefits the countries will receive from SPC's services (*currently the predominant role*), and
  - b. they are also responsible for executing the true governance role of CRGA – considering and dealing with governance functions including considering and making decisions on SPC's strategic direction; scope of activities; priorities; financial viability; compliance with any legislation or other legal or treaty obligations; ethical behaviour; and delegations, including financial delegations, to mention just a few (*currently not the dominant role but needs to be*).
- ix. The paper proposes a specific review of SPC's governance arrangements with the view to assisting CRGA to re-examine its governance role and put in place a mechanism that would assist CRGA delegates to appreciate and perform the role expected of the governing body. As a benchmark, the governance role should be similar in nature, responsibility and accountability to that of the members of a board of directors of a company, who by virtue of their role and responsibility are also individually and collectively legally responsible for all aspects of the company's activities and performance. I recommend that CRGA consider the secretariat's proposal in the paper.
- x. *Agenda item 5.3: Review of members' assessed contributions and host country grants* – This paper discusses the preliminary results of an assessment of 'economic benefits that accrue to member countries that host SPC offices' commissioned by the Secretariat in the context of its recommendations on setting a new target for host grants and allocation of the new target among the four host countries, and a more general discussion on members' assessed contributions. The IER recommended that host country grants be separated from members' assessed contributions as they reflect the significant benefits that accrue to each country that hosts SPC offices. I recommend CRGA's positive consideration of the secretariat's proposals on the paper.
- xi. *Agenda item 5.4: Risk-resilient development – An integrated approach to managing climate, disaster and human security risks* – This paper presents a new approach to addressing climate change and disasters. It highlights the region's decision to develop a joint strategy on 'risk resilient development' that integrates all aspects of climate change, disaster risk management and human health that will supersede the two existing regional strategies on climate change and disaster risk management. I recommend CRGA's endorsement of the joint strategy and the road map proposed in the paper for its further development and finalisation.
- xii. *Agenda item 5.5: Enhancing the secretariat's engagement with the international and regional development agenda* – The Pacific Islands region is approaching an important point on the post-2015 development agenda. The Millennium Development Goals (MDG) initiative will come to an end in 2015. The global process to develop successor goals to the MDGs – the post-2015 development agenda – has begun. This paper updates CRGA 43 on the secretariat's approach to supporting its island members through enhanced engagement in the international and regional development agenda. I recommend CRGA's support and endorsement of the secretariat's proposals in the paper.
- xiii. *Agenda item 5.6: Findings of the Pacific Plan Review and possible implications for SPC* –

This paper updates CRGA on the secretariat's assessment of the preliminary findings of the Pacific Plan review and their possible implications for SPC. It should be noted that at the time of writing, the final report of the review was yet to be released. Early briefings on the results of the review indicate that the review team recommends substantial reform. There is explicit recognition of the sovereignty of SPC's governing body. However, aspects of the reform will have implications for SPC, particularly in areas where SPC could contribute to the reform process or support the Pacific Islands Forum Secretariat (PIFS). I recommend that CRGA notes our early assessment.

### **Key challenges going forward**

57. While there will always be challenges for any organisation going forward, below I highlight six areas where I believe it is critical for the new Director-General and the leadership team to keep up the tempo, given that the process to address them has already been initiated and momentum must be sustained.
- i. *Sustainable financing* of SPC's work – This will need to remain centre stage in the senior management team's agenda going forward. We have commenced the process, in particular the focus on partnerships where funding is a means to a joint end. Further work will need to be invested in this area over the next year or two to bring this to fruition.
  - ii. *Governance arrangements* – It is my view that this area needs clarity and strengthening. I have proposed a mechanism to take this forward in 2014.
  - iii. *SPC's involvement in the post-2015 development agenda* – It is my view that SPC can make substantial contributions in supporting our island members to enhance and articulate the region's position on the various processes that will collectively determine the content and shape of the post-2015 development agenda. This will be a key area for the new DG and the Deputy Director-General, Programmes, and his team to address with passion.
  - iv. *Membership issues* – Discussion to get an agreement /decision on this important issue needs to be time bound and CRGA 44 in 2014 should be provided with all the necessary information to make final decisions as necessary. There may be a case for further reviews of the Canberra Agreement in future years, but it is my view that the focus for the short term should be on the areas highlighted in papers 5.1A and 5.1B.
  - v. *HR challenges and DG's proposed solutions* – I presented a paper to CRGA 42 last year highlighting my serious concerns about the increasing difficulty faced by SPC in attracting and retaining suitably qualified and experienced staff for many of its technical and scientific positions.

In the same paper I also raised serious concerns about the impact of decisions taken by the governing bodies of FFA and SPREP to upgrade the salary bands of their CEO positions to the same band as the CEOs of PIFS and SPC. This went against the previous acknowledgement by the same governing bodies that the scope, size and complexity of the roles were different and that the CEO positions for the two smaller agencies should be placed at a band lower than that for the CEOs of SPC and PIFS. This created a serious anomaly in the salary banding for CEOs of the four participating agencies: they now all sit at the same level (band 18) regardless of the organisation's size in terms of staffing, budget, scope of work and complexity.

CRGA 42 directed the secretariat to further assess the issues presented in the paper, including data illustrating retention and recruitment difficulties, for consideration by CRGA

43. The assessment has shown that in the three-year period 2011–2013, SPC experienced an overall staff resignation rate of 47%, with the bulk of resignations most likely due to remuneration issues.

The anomaly in the CEO banding resulting from the shifting of the bands of the CEOs of SPREP and FFA remains an issue that will need to be addressed by CRGA because the CEO of SPC will not be able to address it.

Part of the solution for both issues remains the same as per my proposal to CRGA 42. The way smaller CROP agencies implement the current harmonised scales puts SPC at serious disadvantage.

I therefore propose that the following remuneration structure be implemented by SPC for its internationally recruited staff. The structure is the same as the one used by the other three participating agencies; however, SPC Deputy Directors-General would be at band 17; directors of larger divisions at band 16; and directors of smaller divisions and deputy directors of divisions, who head larger programmes (such as SPBEA and Oceanic Fisheries, which has a total staff of 40) would be at band 15, as shown in Table 1.

**Table 1.** SPC banding structure based on the existing SP 10 scale adopted by participating CROP agencies to be implemented from 2014

			Examples of position categories
Positions advertised internationally	I	8	Programme officers
		9	
		10	
	J	11	Specialists, Advisors, Coordinators, Team leaders Senior specialists, Managers / Coordinators of small sections
		12	
		13	
	K	14	Programme managers, Senior advisors Principal advisers; Deputy directors of large divisions, Corporate legal adviser Directors (smaller divisions)
		15	
	L	16	Directors (large divisions), Deputy Directors-General with narrower scope of responsibility Deputy Directors-General with larger scope of responsibility
		17	
	M	18	Director-General

There is unlikely to be any major cost implication on the implementation of this proposal in the first year because it will simply involve a migration of the affected positions from their current levels to the equivalent point on the new levels. Any cost increases from year 2 onward will be determined by the performance management system. The biggest advantage of implementing this proposed structure is that it provides SPC with an opportunity to be more competitive in its salary offers at grades 8–13 (where the majority of its professionals

are), or at least to be able to retain staff already in our employ.

As decisions on structure and appointment of staff to the respective salary bands are delegated to the Director-General, I am able to implement the new structure, but I would request CRGA's endorsement of my proposal to implement the salary structure outlined in Table 1 effective from January 2014 on the understanding that the implementation of the new structure is unlikely to have cost implications for the 2014 budget.

In addition, given that the new DG is not going to be able to address the issue of the appropriate band for the SPC DG position relative to the CEOs of SPREP, FFA and PIFS, I recommend that CRGA appoint a group of three members comprising the chairperson of CRGA 43 (as chair), the former chair and the incoming chair to deliberate on the appropriate level and report back to CRGA 43. This group will be supported by the Deputy Director-General, Operations and Management, and the Director of HR.

Table 2 provides CRGA with an indication of the difference in the size of the CROP CEO jobs in 2009 for the participating agencies before the full implementation of the RIF reforms. CRGA will note that even then, the CEO position of the then stand-alone SOPAC was assessed to be larger than those for the CEOs of FFA and SPREP.

Table 2. Job size for the CROP CEO positions before the full implementation of the RIF reforms

Education	Experience	Complexity	Scope	Subtotal	Problem Solving	Freedom to Act	Impact/Results of Decisions	Interpersonal Skills	Authorities	People Management	Total Points
<b>Director-General SPC</b>											
J 152	L 230	D 55	F 30	325	F 175	F 152	E 3 152	F 5 115	E 2 66	F 2 115	<b>1482</b>
<b>Secretary-General PIFS</b>											
J 152	K 200	D 50	F 30	282	F 175	F 132	E 3 152	F 5 132	E 2 66	E 2 76	<b>1387</b>
<b>Director SOPAC</b>											
J 152	K 200	D 50	F 30	282	F 152	F 132	E 2 115	F 5 115	E 2 66	E 2 76	<b>1290</b>
<b>Director SPREP</b>											
J 152	K 200	D 50	F 30	282	F 152	F 132	E 2 115	F 5 115	E 2 66	D 2 57	<b>1271</b>
<b>Director-General FFA</b>											
J 152	K 200	D 50	F 30	282	F 152	F 132	E 2 115	F 5 115	E 2 66	D 2 57	<b>1271</b>

Table 3. Job size of SPC DG following implementation of RIF reforms

EDUC		EXPER		COMPLE XITY		SCOPE		sub total	PROB SOLVING	FREEDOM	IMPACT	HR SKILLS	AUTH	PEOPLE	TOTAL POINTS	CROP pay band										
J	175	L	265	E	60	F	30	<b>396</b>	F	200	F	152	E	2	132	F	5	132	F	2	100	F	2	132	<b>1684</b>	<b>19</b>

58. Table 3 above shows the size of the SPC DG's job after the RIF reform implementation. CRGA will note that the total job size has exceeded the upper end of band 18, which makes it difficult to comprehend that the job sizes of the CEOs of SPREP or FFA or PIFS are at the same level as that of the CEO of SPC. This is the reason for my recommendation that CRGA needs to address this issue as an important governance issue for the organisation.

### **The low points**

59. There are low points in everyone's lifework. I had one that superseded all – the untimely loss of my former Deputy Director-General for Suva, the late Mr Falani Aukuso, who passed away under my watch on 31 July 2008, exactly 2 years and 1 month after assuming the role on 1 July 2006. While any death is a tragedy, this was particularly tough. I thank Falani posthumously and his family for sharing him with the region during his tenure.

### **The high points**

60. These were plentiful but mostly can be broken down into these points:
- i. The support I have enjoyed from all SPC members
  - ii. The trust I have been able to generate from our development partners
  - iii. The knowledge that the SPC staff and their families are the 'A team' serving the region and the support I received from all SPC staff and members of my executive team throughout my tenure
  - iv. The support I received from friends
  - v. The support I have enjoyed from my family
  - vi. The knowledge that my trust in my Lord will always give me the strength to endure.

### **Tribute to all donors and development partners**

61. I pay tribute to all the development partners that have supported the work of SPC over the years, and I humbly request your ongoing support in future years. I make particular reference to the European Union and the Global Fund, who in 2014 between them contribute approximately 42.5% of SPC's total budget (34% and 8.5% respectively). The work of the secretariat would not have been possible without the continued support of a large number of our development partners – thank you.

### **Tribute to founding members**

62. In September this year I spoke at the National Press Club in Canberra on the topic 'the Secretariat of the Pacific Community (SPC) [formerly the South Pacific Commission], and its role in supporting the development aspirations of Pacific Island countries and territories'. As I was speaking to an Australian audience I first had to connect SPC to the Australian setting and Australian institutions that the audience could relate to, so I opened my statement as follows.
63. 'I am humbled and privileged to be speaking here today at the National Press Club to share a little about the organisation that I now have the honour to lead at the city of its birth. Approximately 66 years ago on 6 February 1947, a historic event occurred here in Canberra, just a few hundred yards from where we are gathered today – the signing of the "Canberra Agreement", the founding international treaty that established the then "South Pacific Commission", now the "Secretariat of the Pacific Community (SPC)" by the six founding members – Australia, France, Netherlands, New Zealand, United Kingdom and United States of America.
64. 'SPC is currently the Pacific Island region's leading technical and scientific organisation. Its work helps Pacific people achieve their development goals by delivering technical, scientific, research, policy and training services to members. It is the Pacific region's equivalent to CSIRO

(Commonwealth Scientific and Industrial Research Organisation) and ACIAR (Australian Centre for International Agriculture Research) combined, but with a much broader mandate and scope of work.’

65. I then went on to share the following:
66. ‘SPC was born from the ashes of the 2<sup>nd</sup> World War. The trauma and destruction of the war in the Pacific theatre led the six founding members, who each administered non-self-governing territories in the Pacific region, to consider mechanisms for achieving post-war regional security and stability. The principal architect for the establishment of the organisation was William Forsyth, then a research officer in the post-war planning section of the Australian Department of External Affairs. He proposed the concept of the creation of a “South Seas Commission” – the forerunner concept of SPC. At its establishment in 1947, SPC was the first example of international and regional cooperation in the Pacific Islands region, and perhaps the third or fourth globally.
67. ‘The preamble to the agreement establishing SPC, the Canberra Agreement, stated on behalf of the founding members of SPC their collective desire to encourage and strengthen international cooperation in “*promoting the economic and social welfare and advancement of the peoples in the South Pacific region*” administered by them. This was a visionary initiative – one worth commending even 66 years on, and it is my honest view that its architect, William Forsyth, deserves posthumous recognition for his leading role in this significant event in history – the vision of creating a regional mechanism that united the six founding members of SPC and helped transform the ravages and trauma of the war into the first concrete example of genuine international and regional cooperation in the Pacific Islands region. For all the destruction, trauma and suffering it caused, it took the war to bring the six founding members together and help them discover the value of closer cooperation between them to serve one common purpose – “*to promote the economic and social welfare and advancement of the peoples in the Pacific region administered by them*”, but it took a visionary individual to propose the agenda for change.’
68. I humbly recommend to CRGA and Conference that a commendation be made with appropriate recommendation to the Australian government to consider according a posthumous recognition to Mr William Forsythe for services rendered to humanity in the Pacific Islands region that led to the establishment of the first example of regional cooperation in the region – the then South Pacific Commission and present Pacific Community.
69. In my report to CRGA in 2010 I made a special reference to a significant change in US policy toward SPC as follows: ‘I believe for the first time – SPC rated a special mention in the United States Policy in the Pacific Islands. In his testimony before the House Committee on Foreign Affairs Subcommittee on Asia, the Pacific and the Global Environment, Mr Kurt M. Campbell, Assistant Secretary, Bureau of East Asian and Pacific Affairs stated, and I quote...

*“In addition to working with the PIF, the United States sees opportunities for enhancing the work of the Secretariat of the Pacific Community (SPC). The now 26-member strong SPC is not only the oldest and largest, it is also the premier regional organization in the Pacific; U.S. Pacific territories, including American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands, are full members of its technical agencies. Thus far, three Americans have served as SPC Director-General since its inception. Working with the SPC gives the United States the opportunity to standardize climate change policies with the U.S. territories and the Freely Associated States. SPC is a natural partner to advance U.S. and regional agendas in climate change adaptation, food security, fisheries, health, and other priority sectors.”*

70. In my visit to Washington, DC this year I was impressed with the increased level of appreciation and enthusiasm about SPC and its work, and the role the USA has in contributing to this work. I note with appreciation the high-level representation from the USA to CRGA and Conference this year, including

the Deputy Director for the East Asia and Pacific / Australia, New Zealand portfolio. I also sensed for the first time that the United States Bureau of International Organizations, under which the US contributions to the SPC are appropriated, was clearer about its links and therefore support to SPC. These are all very good signs of things to come.

71. In my meeting with Minister Murray McCully at the margins of the Forum meeting in Majuro in September this year, he expressed his appreciation for the efforts SPC was taking to implement the reform agenda recommended by the IER and for taking a positive attitude to addressing the issues raised by the membership and issues that are also important for SPC's donors and development partners. Minister McCully confirmed his willingness to resume multi-year funding to enhance funding predictability for the organisation. SPC is working with New Zealand to agree on what the funding package and associated arrangements will be.
72. The support from France to SPC continues at a very high level. Within the limitation of its funding envelope for SPC, France increased its member assessed contribution this year by almost 680,000 CFP units to 2.3 million CFP units from 1.62 million CFP units in 2012. In my visit to Paris this year, two things were very clear: firstly France's support to SPC will always be very strong, and secondly it is very important for the SPC DG to visit Paris at least annually and to be able to meet with relevant ministers and political advisers in addition to meeting with the technical professionals, as it will be the political advisers and ministers who can influence budget considerations.
73. Australia has been the largest contributor to SPC's budget over the years, and it continues to be, including this year. The Secretariat is currently working on a partnership agreement with Australia that is based on a joint vision to advance the Pacific region's development agenda, and within that context Australia and SPC are identifying areas where they will focus their joint efforts with Australian financial support. It is my hope that we may be in a position to sign the agreement before my departure from SPC, but in the event this does not happen, the signing will be done by my successor.
74. Lest we forget, I commend the founding members of SPC, four of whom remain members and continue to be staunch supporters and advocates for the organisation – Australia, France, New Zealand and United States of America. Between them they have consistently provided approximately 40% of SPC's budget over the years, and they will provide approximately 42% in 2014. In my final report to CRGA and Conference, let me pay tribute to you not only for the vision you have contributed to and helped translate into reality, but for keeping that vision alive so that 66 years on, the fruits of that vision can continue to blossom, letting SPC live true to its purpose '*promoting the economic and social welfare and advancement of the peoples in the Pacific region*' – thank you.

#### **Tribute to all Island members**

75. It is for you that SPC was established, for you it has continued to exist, and to the service of your people that we are committed. Your understanding and support throughout my tenure at SPC – from the time I joined as Director of Programmes, to when I became Deputy Director-General and culminating in my tenure as Director-General – have been a source of strength for me, for it gave purpose to the work of SPC, work that my colleagues and I were honoured to contribute to as best our human limitations allowed. Thank you; it is my hope that our work at SPC will continue to serve you and help you achieve your development goals.

#### **Tribute to all SPC staff and their families**

76. I began my report with a tribute to my staff. I end my report with the same. To all staff of SPC, past and present, who have supported me during my tenure as Director-General from January 2006 until January 2014, and your families, I am truly humbled and appreciative of your support, your dedication and your vigilance in always doing your best for our service to our region. The captain of the ship is only as good as his crew. The successes that SPC has enjoyed, the difference that its services have

made in the lives of Pacific people are a credit to you and your commitment to the regional service we are called on to give.

77. To all SPC staff, in whatever programme or section and wherever you are or will be, I salute you all with a glad and humble heart for the greatest honour that I can think of – that of knowing you, working with you, sharing the good times and the tough times with you and our families in our collective effort to live up to the mission of the organisation we are proud to be part of and to serve: ‘To help Pacific Island people position themselves to respond effectively to the challenges they face and make informed decisions about their future and the future they wish to leave for generations that follow’<sup>6</sup>.
78. For if we can achieve our mission, it will help achieve our vision for the region... ‘a secure and prosperous Pacific Community whose people are educated and healthy and manage their resources in an economically, environmentally and socially sustainable way’<sup>7</sup>.
79. Thank you all, thank you CRGA and Conference for the opportunity to serve our people and our region.

## RECOMMENDATIONS

80. CRGA is invited to consider the Director-General’s overview report and:
  - i. acknowledge the challenges faced and successes achieved by SPC during my tenure as Director-General of SPC;
  - ii. consider writing a letter of commendation of Mr William Forsyth to the Government of Australia requesting its consideration to award posthumously a recognition to Mr Forsyth for his services to the region and for sharing the vision that became the first example of regional cooperation in the Pacific;
  - iii. discuss the key areas that will require CRGA decisions when they are individually tabled for discussion;
  - iv. \discuss the key challenges outlined in the report that will require continued action by the incoming Director-General and the leadership team;
  - v. note and endorse as appropriate the Director-General’s proposal to implement a revised salary banding structure from 2014 to help SPC address the serious problem it has in attracting and retaining staff, recognising that implementing the proposal is unlikely to have major financial implications;
  - vi. Establish a subcommittee comprising the current, former and incoming Chairpersons of CRGA to consider the appropriate salary band for the position of SPC Director-General, based on the size and scope of the position relative to CEO positions in other CROP (Council of Regional Organisations in the Pacific) agencies, and table its recommendations to CRGA 44.

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<sup>6</sup> Corporate Strategic Plan 2013–2015 – SPC mission.

<sup>7</sup> Corporate Strategic Plan 2013–2015 – SPC vision for the region.