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Working Paper

**WORKING PAPER NO. 6: TRANSFORMING INSTITUTIONAL EFFECTIVENESS AND RESILIENCE
– BUSINESS CONTINUITY IN THE FACE OF DISRUPTION**

(Paper presented by the Secretariat)

Paper summary

1. The paper outlines SPC's efforts to strengthen institutional effectiveness and resilience in 2024. It highlights key actions taken and future plans to enhance operations and drive overall organisational improvement.

Key points

2. Significant strides continue to be made to enhance SPC's operational effectiveness.
3. SPC has demonstrated resilience by adapting to challenges that have affected internal operations and programme delivery and has used these challenges to drive improvements and adaptations for future resilience.
4. SPC continues to implement critical improvements to align with its Strategic Plan 2022–2031, in particular Key Focus Area (KFA) 7, to enhance the integration of corporate services across the organisation.
5. SPC's ongoing improvements aim to increase efficiency and flexibility in its operations while ensuring adherence with international standards and remaining responsive to meet the evolving needs of its members.

Recommendations

6. CRGA is requested to:
 - i. acknowledge the progress made towards strengthening SPC's key support functions to improve institutional effectiveness under KFA 7, despite the challenges faced throughout 2024; and
 - ii. encourage continued focus on internal improvements that enhance SPC's institutional effectiveness.

Background

7. Since the adoption of SPC's Strategic Plan 2022 -2031 by the 12th Conference in 2021, several key internal changes and reforms have been launched to meet the objectives set by KFA7 (Transforming Institutional Effectiveness) and Goal 4 (One SPC delivers integrated programmes through streamlined services). Important foundational steps have also been taken in continued improvements for the corporate functions to ensure that the organisation is well-positioned to meet the challenges and opportunities of the future.
8. Internal cooperation between SPC's support functions, programmes and technical divisions continue to be strengthened to ensure that our engagement with development partners and donors is in line with [SPC's Resource Mobilisation Strategy](#). This One SPC approach supports a coherent, coordinated and integrated approach in scenarios where multiple divisions are negotiating with the same donor, for example, by ensuring a consistent application of the 15% project management fee (PMF) on restricted projects and programmes and the negotiation of more flexible funding for SPC.
9. Steps have been taken to address internal and external audit findings, including those related to ineligible donor expenditures. SPC has developed streamlined processes, improved compliance measures, including due diligence frameworks, and standardised tools and approaches to ensure consistency and enhance overall accountability.
10. Following the expiration of the *Operations Management Directorate (OMD) Business Plan 2019-2023*, we have now embarked on devising a new business plan that encompasses a broader Operations and Integration (O&I) focus that will ensure coordinated efforts across OMD as well as the other functions that sit within the Deputy Director-General Operations and Integration (DDG O&I's) remit, namely the Partnerships, Integration, and Resource Mobilisation Office (PIRMO) and SPC's Regional Offices in Micronesia, Melanesia and Polynesia.
11. Projects that have commenced in 2024 include the strengthening of our internal grants function and improvements to SPC's travel function. Other reforms approved by CRGA 53, such as the new SPC Manual of Finance Policies, the focus on SPC privileges and immunities and the reform of member contributions are also progressing.
12. Although the Noumea crisis has undoubtedly hindered the Secretariat's ability to implement all the planned projects to improve O&I in 2024, it has also highlighted pre-existing challenges that have had to be prioritised to support a values-led organisational culture that drives transformative change. This situation has allowed the Secretariat to strategically re-orchestrate certain improvements, thereby accelerating the transformation process and optimising resources to more effectively advance KFA 7 and One SPC for 2025 onwards. These key challenges and strategic decisions are covered in the subsequent section: Resilience in the implementation of KFA 7 and business continuity.
13. During the crisis, SPC united to provide mutual support for one another and tools for resilience. The Senior Leadership Team (SLT) and staff from across the organisation stepped up to support crisis management efforts, ensuring the well-being of our staff and the continuity of our operations. As a values-driven organisation, we prioritised the needs of our employees, allowing those seeking

flexibility to work remotely from their home countries. Additionally, we allowed our Noumea-based staff in affected areas, who were unable to work, to prioritise the safety and well-being of their families.

Resilience in the implementation of KFA 7 and business continuity

14. This year marked the 75th anniversary since the establishment of SPC's headquarters in Noumea, which Secretariat staff honoured on 5th March with the inauguration of a commemorative mural near the SPC meeting room, the house of the Pacific Community. As SPC embarked on its internal journey to implement KFA 7 while celebrating the Headquarters anniversary, the crisis broke out in New Caledonia on 13 May disrupting the annual planning of these celebrations and delayed implementation of certain planned KFA 7 projects.
15. SPC has shown resilience as an organisation by swiftly adopting agile measures and strategic responses to navigate the challenges posed by the crisis, ensuring the continued implementation of its activities while effectively managing its impacts.
16. As outlined in the Director General's Report (Working Paper 1) and the Report on Human Resources (Working Paper 8.a), the Secretariat quickly put in place measures to ensure the safety and wellbeing of staff and families, while adapting operations to maintain business continuity in line with the intrinsic values of SPC: Enginkehlap (Generosity); Kaitiakitanga (Stewardship); Gida Gaituvwa (Unity) and Aroha (Care) within the context of a One SPC approach.
17. At the onset of the crisis, a Crisis Management Team (CMT) was swiftly established and was soon comprised of sub-groups including security, consular support and assisted departures, communications, business continuity and ongoing program delivery, staff well-being, travel and emergency support and relations with the SPC host country and territory. Additionally, existing mechanisms such as the neighbourhood wardens' network, which had previously been engaged for cyclone alerts and during the COVID-19 confinements, and well-being sessions, were strengthened to support with assessing risk and implementing mitigation measures and minimising the impact of the crisis as much as we could.
18. To understand the immediate consequences of the crisis, an internal working group was created to conduct an impact analysis on the organisation and its activities. A first report on the impacts of the crisis on programme delivery was issued on 17 June 2024. The risks identified related to the quality and timeliness of programme delivery, the impact of the difficulty of travelling to and from New Caledonia, the cancellation, postponement or rescheduling of major events, and the consequences on major projects: 13th Festival of Pacific Arts and Culture (FestPAC) in Hawai'i, Unlocking Blue Pacific Prosperity (UBPP), Noumea Fisheries Laboratory Refurbishment, the SPC Fisheries Research Vessel, SPC's budgeting process, the narratives and results reporting for CRGA, One SPC operations, KFA 7 and integration improvements, as well as the delivery of work programmes for technical divisions .
19. The equivalent of 80–95 full-time staff were effectively unavailable to work on normal activities. This loss of resources, which represents around 10% of SPC's total human resources, was considerable. This included key members of senior management (CMT) as well as significant parts of the PIRMO, Legal, Human Resources, Procurement and Travel teams. At the time, it was estimated that this 10%

loss of capacity would result in a greater than 10% loss of output, with more complex tasks most likely to be delayed, have their quality compromised or fail altogether.

20. The crisis that hit the Secretariat in May quickly brought to light the existing and already known gaps in some of the organisation's key supporting functions, and without which SPC's activities would be compromised. Several support functions, in particular the Grants and Procurement teams, Legal and PIRMO, which were already heavily understaffed before the crisis, given the growth of the organisation in the last 5 years, have been given focused and sustained attention to ensure that they are able to not only support SPC's business as usual, but are also able to address the regular challenges that the organisation and our members encounter.
21. A second report was issued by the ongoing programme delivery working group on 19 July to assess the progress made and highlight successes such as the completion of the 13th Festival of Pacific Arts and Culture (FestPAC) despite some challenges getting support staff to Hawai'i, in particular SPC's staff interpreters. Another key success reported was the significant contribution of staff based outside headquarters during the major crisis. At the height of the tensions, when many at the Noumea headquarters were unable to work, 60% of the total staff, stationed across different locations across the Pacific, stepped up to ensure critical functions continued. Their swift action and commitment helped the organisation maintain its operations despite the challenges, which successfully reflected the One SPC spirit.
22. The *Second Internal Crisis Impact Report* continued to highlight key affected projects including the work on KFA 7 / One SPC initiatives, which was rescheduled and replanned, along with other major institutional improvements projects such as the update of the Manual of Finance Policies and the work on privileges and immunities.
23. Despite challenges caused by the recent crisis in New Caledonia, the Secretariat has made notable strides in enhancing institutional effectiveness. In addition to the work that has commenced on a new O&I Business Plan, we continue developing our enterprise-level risk register. We have also started carefully introducing artificial intelligence into our work, boosting efficiency, accuracy and consistency in several of our supporting functions. We continue to implement full cost recovery, which has now been introduced into areas such as travel and recruitment and will be extended to procurement and grants. This represents a significant step in ensuring that the support functions are able to grow and scale up with the divisions that they serve.
24. Our flagships (Ocean, Gender Equality, Climate Change and Food Systems) also contribute to enhancing coordination across the breadth of SPC's scientific and technical work to improve outcomes and impact. Significant progress has been made towards operationalising them in 2025 and an update on progress for two of the flagships can be read in Working Papers 5.b and 5.c. There is an opportunity to consider 'digital transformation' as SPC's next flagship initiative, which would have a significant and positive impact on SPC's ability to deliver KFA 7 and enhance its technical advisory and services to members.
25. We are working on strengthening the financial sustainability of SPC by ensuring that all project activities and costs are tagged to restricted funding, including activities that SPC has decided to manage in-house such as recruitment, travel management, procurement and grant management.

Related recoveries enable SPC to free unrestricted resources to invest them strategically and ensure that resources available for those activities are aligned with the volume of projects/programmes.

26. The following key initiatives have also been introduced or are underway in the O&I areas:

- i. **Finance and Facilities:** A finance pooling pilot is underway to enhance resource allocation within finance roles while historical financial records are being digitised in Suva to improve document management efficiency. A major success this year also includes an 80% reduction in cash payments by shifting to electronic per diem payments. Office refurbishments are ongoing in Noumea and Suva, with similar upgrades in Polynesian and Melanesian offices, ensuring staff have safe, secure and healthy workspaces. Significant progress has also been made in addressing project ineligibilities, with regular updates provided to the Audit and Risk Committee. Additionally, new documentation has been introduced to clarify funding terminology and management fees coverage at SPC.
- ii. **Grants and Collaborations:** Previously part of the procurement function, new dedicated team has been established to manage the organisation's grants and collaboration projects to and with implementing partners more effectively. This includes introducing specialised roles and tools to enhance efficiency, professionalism, and compliance with SPC's grants function. Capacity-building training sessions are being offered to both staff and grantees, focusing on the grant cycle, processes, and fraud and corruption prevention. The team has also developed a capacity assessment framework tailored to working with our Pacific members and is updating Standard Operating Procedures to reflect evolving support in these areas.
- iii. **Human Resources:** During the crisis in New Caledonia, HR provided critical psychological support and implemented crisis management protocols for SPC staff. A new remote work procedure was introduced to ensure transparency in temporary remote work arrangements. New staff ID cards were also issued, enhancing staff security at headquarters during the crisis and beyond. HR's Standard Operating Procedures (SOPs) have been updated to now cover onboarding, contract management, probation, and recruitment. A comprehensive staff orientation programme is also being developed to familiarise new staff with SPC's values and procedures. Finally, the Secretariat's internal work on ensuring gender equality is mainstreamed across all work areas, especially for women in leadership, and is ongoing together with the Gender Equality flagship and the SPC Gender Community of Practice, which continues to be an interactive network and space for gender-related activities at SPC.
- iv. **Information Services:** An ongoing information systems audit is addressing cybersecurity vulnerabilities, while Cybersecurity efforts have been strengthened through phishing training and the creation of a sensitive data register. The Pacific Data Hub directly supported SPC's KFA 7 by successfully launching the [Blue Pacific 2050 Dashboard](#) at the Pacific Forum Leaders Meeting. Key recruitments include an Information and Knowledge Management (I-KM) Coordinator to improve SPC's KM function and an Event and Protocol Lead to improve coordination of SPC events and establish standard protocols across the organisation.

- v. **Legal and Governance:** New staff have been onboarded, significantly improving support quality, turnaround times, and maintaining high governance and compliance standards. The team has continued to build on a more robust grievance redress mechanism and delivered comprehensive internal training on fraud prevention, conflict of interest management, and the ethical use of SPC funds. Additionally, a new framework is being developed to enhance risk assessment and due diligence processes at SPC in close collaboration with all O&I functions.
 - vi. **Procurement and Travel:** New staff are being hired to improve support and turnaround times and enhance strategic procurement and travel management. The introduction of new software, including artificial intelligence, aims to boost efficiency, improve carbon emissions and vendor relationships, and ensure proper approval processes
 - vii. **Partnerships, Integration and Resource Mobilisation (PIRMO):** PIRMO has led a significant consular effort during the Noumea crisis, in particular their coordination of Assisted Departures from Noumea. The SPC Resource Mobilisation Strategy (RMS) has been finalised and shared with members, focusing on flexible funding, SPC values, and understanding business plans. Engagement with internal and external donors on major programmes like the Fisheries Research Vessel and Pacific Humanitarian Warehousing Program has been enhanced. Work to strengthen SPC's strategic approach to ensuring long-term financial stability, focusing on flexible funding and cornerstone partnerships such as new long-term partnership frameworks with Australia and New Zealand continues to progress. Additionally, PIRMO is supporting members in the co-design of UBPP, a critical initiative for SPC's finance reform pilots and delivering KFA7 by promoting flexible, sustainable, and systems-level funding.
 - viii. **Regional Offices:** In addition to the office refurbishment project, a core-funded structure is being determined to ensure the financial sustainability and effective operations of SPC Regional Offices. We have started to more strategically address the privileges and immunities of SPC in each jurisdiction, which includes improving our understanding of local procedures and with a view to refining and streamlining our diplomatic correspondence with our member countries and territories, particularly protocol letters for staff travel. This approach will strengthen our engagement with government entities and enhance our operational effectiveness in the region we serve. We now expect the majority of these improvements to take place in 2025.
27. Navigating through challenging times in 2024, the Secretariat, particularly the O&I functions, demonstrated significant resilience by allocating the necessary resources to manage and adapt to the crisis, while continuing to plan for structural reforms designed to enhance the organisation's flexibility and agility in responding to future challenges. Throughout this process, it was once again our core SPC values that guided us, enabling the Secretariat to emerge from the crisis stronger, enriched by valuable lessons that will allow the organisation to better adapt to its future environment—becoming more agile and flexible to meet the evolving needs of its members.

Transforming Institutional Effectiveness:

28. Building on institutional improvements being put in place and recognising that there remains much work to do in 2025, SPC can take pride in the improvements that have been put in place, demonstrating our commitment to improve as an organisation and be more responsive to our members.
29. In a rapidly changing environment, which can be disrupted at any time by events with local, regional, or global implications—such as those the region has faced in recent years including natural disasters, the COVID-19 pandemic, and the New Caledonian crisis—it is more important than ever for SPC to remain agile and adaptable.
30. Adapting our strategic reforms to the lessons learned from these crises and the overall regional context is therefore essential for SPC to enhance institutional resilience and effectiveness.
31. We continue to be guided by the direction set by members in monitoring our implementation of the SPC Strategic Plan through the CRGA Subcommittee for the Strategic Plan. With a particular focus on KFA 7, SPC is prioritising an Operational Transformation Programme, which will include designing a comprehensive operating model that is future-ready and effective, and that fosters organisational cohesion and integration. KFA 7 aims to continue improving the alignment of SPC's support services for our programmes and engagement to be more responsive to the region's development needs and contributing our learnings to an enhanced CROP cohesion and harmonisation.
32. The O&I Office has engaged external expertise to support the breadth of internal skills, knowledge and experience that we benefit from within SPC, and that will continue to be required to drive SPC's improvements and implement the necessary changes. This work will be carried out in alignment with the recommendations that will come out of the Independent Institutional Review (IIR), with the strategic approach being closely linked to SPC's resource mobilisation efforts, ensuring sustainable funding for the most essential O&I functions, and reinforcing the organisation's capacity to deliver.
33. This ongoing commitment to integration and resource mobilisation, coupled with insights gained from our team as well as external reviews and evaluations, will further enhance SPC's impact across the Pacific region.

Conclusion

34. SPC remains acutely aware of the critical role that its O&I functions play in delivering SPC's ambitious scientific and technical work in the region and is committed to further enhancing the quality and efficiency of its corporate services.
35. Transforming institutional effectiveness at SPC is an ongoing journey, with significant work still ahead. Since the adoption of the first OMD Business Plan in 2016, through to the recent Resource Mobilisation Strategy, the ongoing work on an updated O&I Business Plan and the upcoming Operating Model Transformation Programme, SPC's O&I functions have continuously evolved to enhance their support and improve the organisation's efficiency in serving the region. The various crises that have impacted the region and challenged how SPC operates have prompted the

organisation to adapt and find solutions to ensure business continuity and the successful delivery of programmes.

36. In 2025, SPC will continue to design a future-ready approach that is guided by its Strategic Plan 2022–2031 and the 2050 Strategy for the Blue Pacific Continent. We will address the findings from the Independent Institutional Review (IIR) and ensure that any actions are in alignment with the context of the Regional Architecture Review (RRA) and ongoing CROP harmonisation efforts.

Recommendations

37. CRGA is requested to:

- i. acknowledge the progress made towards strengthening SPC’s key support functions to improve institutional effectiveness under KFA 7, despite the challenges faced throughout 2024; and
 - ii. encourage continued focus on internal improvements that enhance SPC’s institutional effectiveness.
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