

**SECRETARIAT OF THE PACIFIC COMMUNITY****DECISIONS OF THE FORTY-FOURTH MEETING OF THE
COMMITTEE OF REPRESENTATIVES OF GOVERNMENTS AND ADMINISTRATIONS**
(Noumea, New Caledonia, 4–7 November 2014)**AGENDA ITEM 1 – OPENING**

1. The 44th meeting of the Committee of Representatives of Governments and Administrations (CRGA 44) opened on 4 November 2014 at SPC headquarters in Noumea, New Caledonia. The meeting was chaired by the Republic of the Marshall Islands with Nauru as Vice-Chair and was attended by representatives of the following members of the Pacific Community – American Samoa, Australia, Cook Islands, Federated States of Micronesia (FSM), Fiji, France, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea (PNG), Pitcairn Islands, Samoa, Solomon Islands, Tuvalu, United States of America, Vanuatu and Wallis and Futuna – and by observers and partners including the European Union, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Melanesian Spearhead Group, Pacific Disability Forum, Pacific Island Development Forum Secretariat, Pacific Islands Forum Secretariat, Singapore, Secretariat of the Pacific Regional Environment Programme (SPREP), Timor Leste, University of the South Pacific, and World Health Organization.

AGENDA ITEM 2 – DIRECTOR-GENERAL'S REPORT

2. The Director-General's report on his first year as CEO showed SPC is a sound organisation, recognised for its world-class scientific and technical expertise in several areas. The challenge for SPC is 'how to do better' to enhance the development effectiveness of this work – within resource constraints – and its impact in member countries, recognising their different needs and capacities. CRGA has a strategic and active role in ensuring that SPC is better positioned to address the region's major challenges including through decisions on priority setting, resource allocation, monitoring and evaluation of in-country development impacts, and a long-term approach to the financing of its work. The Director-General acknowledged the signing of a new multi-year partnership with Australia and its generous commitment to continue the transition from project to programme funding, and the announcement by New Zealand of a new partnership agreement to be signed shortly and New Zealand's commitment to continue discussions on multi-year funding. Members expressed support for the secretariat's priorities for 2015, which are to implement CRGA's decisions, particularly in relation to governance and resources; actively participate in dialogue on the regional architecture, acknowledging the roles and comparative advantages of individual organisations and the current challenges of CROP (Council of Regional Organisations in the Pacific) harmonisation; management of the change process at SPC including implementation of a programming approach to cross-sector work on climate change/disaster risk management and non-communicable diseases; and development of a new corporate strategic plan in collaboration with members; finalisation of partnership agreements with existing and new partners; and realisation of the Pacific Village in Suva.

3. CRGA:
 - i. acknowledged the major challenges facing SPC in the medium term;
 - ii. noted the priorities for the technical divisions in the medium term;
 - iii. noted the likely impact of the implementation of the programming approach;
 - iv. recognised the outlook for SPC's financial situation from 2016 onwards;
 - v. supported the agenda for change designed to position SPC for the future, enhance the effectiveness of the work it does with and for members, and secure sustainable financing for the organisation.

AGENDA ITEM 3 – GOVERNANCE REVIEW

4. CRGA 43 and the 8th Conference directed the secretariat to commission a review of its governance processes in 2014, with the findings and recommendations of the review to be presented to CRGA 44. The review was steered by a Governance Working Group comprising representatives from the secretariat and 11 member countries and territories: Australia, Fiji, Federated States of Micronesia (FSM), France, French Polynesia, New Caledonia, New Zealand, Niue, Republic of the Marshall Islands (RMI), Solomon Islands and the United States of America. The outcome of the review was discussed with the whole membership at a Special Session of CRGA on 4 November 2014, which acknowledged the dedicated efforts of the Working Group, and presented the following recommendations for improved governance of SPC for CRGA approval.
5. CRGA agreed to:
 - A. REFORMS TO CURRENT GOVERNANCE ARRANGEMENTS
 - 1. Improve the effectiveness of CRGA**
 - a. Develop clear terms of reference (TOR) for CRGA including level of authority, standing orders, meeting processes, and structure of recommendations and to also include:
 - i. TOR for the Chair of CRGA; and
 - ii. guidance for members in selection of representatives.
 - b. Institute induction for members, to be facilitated by an external consultant, expected before the November 2015 CRGA meeting (to avoid additional travel costs), to be repeated on an 'as needed' basis for new members.
 - c. Adopt a principle of continuity of representation. Members will seek to retain the same representatives over a period of time to allow continuity of perspectives and experience. Each member will also seek to ensure there are at least two representatives involved. These representatives are to be determined by each member. SPC will cover the costs for one representative from each Pacific Island member country or territory to attend CRGA/Conference.
 - d. Ensure all papers are provided a minimum of 10 working days before CRGA. Papers provided by the secretariat should clearly request decisions rather than simply ask for agreement or noting of recommendations.
 - e. Introduce a decision tracking system to monitor implementation of CRGA decisions; this will also enable the Secretariat to regularly report to members.
 - f. During CRGA, allow time for delegates to assess and rate CRGA's performance and suggest improvements.
 - g. Support CRGA via a dedicated (part-time) staff member allocated to the purpose.
 - h. Recognise SPC has one governing body, the Conference of the Pacific Community, which delegates its authority to CRGA to act on its behalf between sessions. This clarifies the role of ministerial/sector heads meetings as important and influential advisory meetings but with no governance role in respect to SPC.

2. Adjust times and location of CRGA meetings

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

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

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

4. Clarify the role of the Conference of the Pacific Community

- a. Clarify the TOR of the Conference:
 - i. To appoint the Director-General.
 - ii. To consider major regional policy issues and SPC's strategy for addressing them
 - iii. To approve changes to Financial and Staff Regulations approved by CRGA.

USE OF SUB-COMMITTEES

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

- a. For the purpose of this paper, *sub-committee* refers to a group established by CRGA to focus on governance issues. A sub-committee may have external representatives if this is acceptable to CRGA. It is envisaged sub-committees will analyse and interrogate issues on behalf of CRGA and will report back to CRGA with recommendations on any significant decisions required. As such, sub-committees will not have executive authority (i.e. they won't be able to make any significant decisions on behalf of CRGA).
Working group refers to a group established by the Director-General to advise on management issues.
- b. While recognising other organisations use sub-committees, the Governance Working Group was cautious not to recommend a suite of sub-committees, principally due to concerns relating to cost and effectiveness. Instead the following is proposed:

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

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

- a. In addition to designated current activities, this would include:

- i. Budget: Offering a brief assessment and an opinion for CRGA on the budget papers prepared for CRGA (and any interim budget papers), and if required making specific recommendations.
 - ii. Assets: Providing advice, guidance and recommendations to CRGA, as appropriate, regarding the financial impact of operating costs resulting from major new acquisitions.
 - b. This would reinforce the provision of expert and informed advice to CRGA on key financial issues for which it has responsibility, including financial risk, budget, and major assets.
 - c. This request falls into the current remit of ARC, has no implications for its present composition or meeting arrangements, and is consistent with the ARC Charter.
- 7. Establish a sub-committee to focus on the new Corporate Strategic Plan (to be endorsed by CRGA and approved by Conference in November 2015). This sub-committee will be based on constituency representation where possible, and be open to voluntary participation and limited external stakeholders, if required.**
- a. This sub-committee will be established by CRGA 44 in 2014 and initially operate for 12 months. It is envisaged it will meet once face-to-face and up to three times via teleconference. Based on the TOR to be developed, its focus will be to provide oversight, direction, analysis, contestability and advice regarding the secretariat's development of the new Corporate Strategic Plan (CSP). This will include SPC's role and approach to development effectiveness.
 - b. This sub-committee (ideally comprising around eight members) and CRGA will determine which constituencies these members will be drawn from and whether external stakeholders (e.g. the European Union) or independent experts may participate. It will also be open to voluntary participation by members.
 - c. CRGA could evaluate whether there may be a longer-term role for such a sub-committee in monitoring the ongoing relevance of the Corporate Strategic Plan or whether this can be done by CRGA itself.
- 8. Continue the SPC Governance Review Sub-committee to monitor and evaluate the implementation of the CRGA governance reforms and make recommendations to CRGA and Conference in 2015.**
- a. It is envisaged the Governance Review Sub-committee will meet by teleconference twice during the year, once in May 2015 and again prior to CRGA 2015.
 - b. The Governance Review Sub-committee will look at the extent to which these recommendations have been implemented.
 - c. It will also determine which recommendations should be approved by Conference in 2015.
 - d. It may advise, based on early experience, whether further reforms are necessary.

PLACING SPC WITHIN A PACIFIC-WIDE ORGANISATIONAL GOVERNANCE CONTEXT

- 9. Initiate a more substantive debate about streamlining regional meetings and regional mechanisms** (including CRGA and Conference) and further enhancing the complementarities, efficiency and effectiveness of the CROP (Council of Regional Organisations in the Pacific) system as a whole. This could include:
- a. exploring opportunities for efficiency gains in hosting joint/concurrent regional meetings, recognising some adjustments may be necessary to reflect differing memberships. This work should take into account and complement similar initiatives in the Pacific.
 - b. directing SPC's Director-General to liaise with the Secretary General of the Pacific Islands Forum Secretariat, as CROP Chair, to explore the feasibility of commissioning a joint study on how regional complementarities could be enhanced and regional mechanisms and meetings improved.

AGENDA ITEM 4 – MEMBERSHIP POLICY

AGENDA ITEM 4.1 – TIMOR LESTE MEMBERSHIP

6. CRGA 43 and the 8th Conference of the Pacific Community adopted a resolution extending the territorial scope of the Pacific Community to include Timor Leste and thereby accommodate a potential formal request for membership of the organisation. According to the process, the resolution comes into force after one year, assuming that no member lodges an objection. On 19 November 2014, the one-year period will expire. If no objections have been received, the Pacific Community can then invite Timor Leste to join. SPC proposes the following procedure: on 20 November 2014, SPC will contact the Government of Australia to ensure that no objections have been received. Assuming there are no objections, SPC will extend an invitation to Timor Leste on behalf of all members to join the Pacific Community. SPC will then undertake negotiations with Timor Leste on the financial implications of membership, noting that Timor Leste has already been informed it would fall into category 1 for assessed contributions. Once Timor Leste formally accedes to the treaty, the membership will be informed. Timor Leste will then be formally recognised as a member of the Pacific Community at the next Conference, assuming the process has been completed by then.
7. CRGA:
 - i. approved the proposed procedure for extending membership to Timor Leste;
 - ii. welcomed Timor Leste's statement reiterating its wish to become a member of the Pacific Community;
 - iii. authorised the secretariat to continue to liaise with Timor Leste on all matters related to its interest in becoming a Participating Government of the Pacific Community.

AGENDA ITEM 4.2 – UPDATE ON SPC MEMBERSHIP AND OBSERVER STATUS

8. CRGA 43 mandated the secretariat, together with a working group composed of member countries and territories, to explore how new categories of Associate Member and Observer might be created and to develop an SPC policy on membership and observer status. In particular, the formal creation of new membership categories was seen as a means to respond to the shared desire of SPC and the European Union for greater institutional recognition of the EU's role as an important partner of the Pacific Community. Several exchanges between founding members have since taken place due to a difference of opinion on the legal procedure for effectively creating such new categories and some outstanding issues remain to be resolved. Further work will be done to attempt to resolve these issues to the satisfaction of all members. As an alternative means of providing the secretariat with a tool for recognising more institutional forms of partnership, and to take account of recent discussions with EU, the secretariat proposed the adoption of Permanent Observer Status, consistent with the United Nations practice, and the development of a Memorandum of Understanding with EU to reflect the close partnership between EU and SPC.
9. CRGA:
 - i. mandated the secretariat to conclude a non-binding Memorandum of Understanding with the European Union to recognise the special partnership between EU and SPC;
 - ii. decided not to amend the Canberra Agreement at this time to provide for new categories of Associate Member and Observer;
 - iii. endorsed the secretariat's proposal to follow United Nations practice and allow for Permanent Observer Status to be granted to states and intergovernmental organisations by means of unanimous resolution;
 - iv. mandated the working group on membership to develop an SPC Policy on Permanent Observer Status, which would set out the criteria, admission procedure, rights and

- obligations of any entity wishing to request such status with the Pacific Community, and to provide this policy to the 9th Conference of the Pacific Community for adoption;
- v. mandated the working group on membership to consider the specific case of the European Union and make recommendations that would ensure a harmonised approach between Permanent Observers and the EU.

PACIFIC GENDER AND CLIMATE CHANGE TOOLKIT

10. The multi-dimensional impacts of climate change and the need to put people at the centre of climate change adaptation and mitigation strategies were highlighted with the launch of the Pacific Gender and Climate Change Toolkit at CRGA 44. The toolkit, which was developed by SPC and the German Agency for International Cooperation (SPC-GIZ), in collaboration with the United Nations Development Programme, UN Women, and the Secretariat of the Pacific Regional Environment Programme (SPREP), aims to support countries in developing inclusive, gender-responsive strategies to climate change and to provide concrete tools for climate change advisers/project managers to undertake gender analysis at different stages of the project cycle. The launch of the toolkit at CRGA 44 provided an opportunity to discuss the socio-economic dimensions of vulnerability, including the exclusion of women from decision-making and access to assets likely to increase their resilience. In addition to the toolkit, SPC and GIZ are developing a regional pool of experts who can provide advice and support the integration of a gender perspective in climate change initiatives. The toolkit is available on the Pacific Climate Change Portal.

AGENDA ITEM 5 – PROGRAMMES DIRECTORATE REPORT

AGENDA ITEM 5.1 – REPORT ON PROGRAMME RESULTS

11. SPC's first Programme Results Report highlights key results achieved in 2013–2014 across a broad range of sectors. The report, which represents a change in the way SPC presents its work to CRGA, was developed in response to members' guidance on institutional focus and direction. It marks an important evolution in SPC's continuing effort to increase the effectiveness of its development support to members and the impact of its work, including through implementing a multi-sectoral approach to development issues such as non-communicable diseases and resilience to climate change. Country programme reports were also presented for each of SPC's 22 island members. CRGA expressed appreciation for the succinctness and readability of the reports, while noting the complexity of the task of monitoring and evaluating the effectiveness of SPC's work. Suggestions for future reporting included more emphasis on disaggregated data (e.g. in relation to disability, gender and youth); analysis on adequacy of progress; information on the financial value of specific projects/programmes in countries; and opportunities for countries to rate programme effectiveness as part of a feedback cycle. In addition, delegates were asked to respond to a series of questions on SPC's first Programme Results Report, including the content and level of detail. An analysis of responses will be included in the full report of CRGA 44. CRGA also noted the value of the exhibition of SPC programme activities that was held concurrently with the meeting and the opportunities presented to discuss the work of SPC's technical divisions.
12. CRGA:
 - i. endorsed the presentation of SPC's first Programme Results Report (2013–2014) and its emphasis on how SPC's work contributes to members' long-term sustainable development goals;
 - ii. endorsed SPC's increased focus on an integrated, multi-sector approach and the organisational changes being made to facilitate this approach.

**AGENDA ITEM 6 – CORPORATE AGENDA FOR CHANGE:
DEVELOPMENT EFFECTIVENESS, RESULTS AND RESPONSIVENESS**

***AGENDA ITEM 6.1 – ENHANCING PROGRAMME EFFECTIVENESS AND
IMPACT/DEVELOPMENT EFFECTIVENESS***

13. Following the 2012 Independent External Review, the SPC Corporate Strategic Plan (2013–2015) emphasised the importance of increased focus on development outcomes and results, and of doing business differently. The Plan identified several organisational goals to improve the development effectiveness of SPC’s work, which will also be reflected in the new Corporate Strategic Plan (2016–2020). In an interactive session, CRGA delegates divided into six groups to discuss (1) SPC’s engagement with members, and (2) SPC’s expenditure on monitoring, evaluation and learning. The group feedback will provide preliminary guidance for the development of the new strategic plan.
14. CRGA:

In relation to SPC’s engagement with members

- i. considered there were many advantages of in-country representation but expressed concern about costs. Two groups preferred option 2 (more country focal points based at SPC); three groups preferred option 4 (in-country representatives in each country). Three of the groups also suggested better coordination and collaboration among CROP agencies at the country level through an in-country focal point at national or sub-regional level, noting the examples provided by placement of officers in country by UN agencies and the Pacific Islands Forum Secretariat.

In relation to SPC’s expenditure on monitoring, evaluation and learning (MEL)

- ii. expressed general agreement on the need for increased investment in MEL to establish improved MEL systems and processes. Five groups chose option b (small increased investment in MEL to improve quality and programme impact, moving towards 4% of programme funding); and one group chose option c (substantial investment in MEL [in the immediate short term] to provide a strong focus on quality, effectiveness and innovation).

***AGENDA ITEM 6.2 – STRATEGY FOR CLIMATE AND
DISASTER RESILIENT DEVELOPMENT IN THE PACIFIC***

15. The draft Strategy for Climate and Disaster Resilient Development in the Pacific (SRDP) is a new regional policy instrument aimed at building the resilience of Pacific Island communities, including vulnerable groups, through integrated management of climate change and disaster risks. Development of the SRDP has included extensive engagement and consultation (face-to-face and online) with stakeholders at national and regional levels – Pacific Island governments and administrations, CROP agencies, civil society organisations, the private sector, and development partners. This process has been guided and supervised by a steering committee comprising representatives from regional governments and administrations, the private sector and civil society. After it is endorsed, the SDRP will succeed the current Pacific Islands Framework for Action on Climate Change 2006–2015 and Pacific Disaster Risk Reduction and Disaster Management Framework for Action 2005–2015. CRGA noted the planned development of a results-based management framework as a tool for SRDP monitoring, evaluation, reporting and learning and stressed the need for careful use of existing resources and institutions in implementing the strategy when it is finalised and endorsed.

16. CRGA:

- i. recognised that natural hazards, including the impacts of climate change, pose significant risks to achieving the sustainable development objectives of Pacific Island countries and territories;
- ii. noted the progress made by Pacific Island countries and territories in developing integrated climate and disaster risk management approaches at national and regional level;
- iii. approved taking the draft Strategy for Climate and Disaster Resilient Development to the next phase, provided an updated draft takes into account concerns raised by members including governance operations, optimal use of existing financial and institutional resources, implementation and results;
- iv. directed the Director-General of SPC to liaise with other CROP heads to discuss the manner in which the Pacific Resilience Partnership is to be supported and resolve any concerns prior to the 2015 Pacific Islands Forum Leaders Meeting;

***AGENDA ITEM 6.3 – SECRETARIAT OF THE PACIFIC BOARD FOR
EDUCATIONAL ASSESSMENT (SPBEA) REPORT***

17. The CRGA Joint Working Group on the SPBEA Review presented to CRGA 43 was commissioned to ‘further assess the optimum approach and resources required to take the recommendations forward’. It was established in February 2014 and chaired by the Kiribati High Commissioner in Fiji, with other members from Australia, Federated States of Micronesia, Fiji, Nauru, Papua New Guinea, Marshall Islands, New Zealand, Solomon Islands, and SPC. (Note: SPBEA – Secretariat of the Pacific Board for Educational Assessment became SPBEQ – Secretariat of the Pacific Board for Educational Quality in early 2014.) The report by the Working Group highlighted the organisational and staffing structure changes made to align operations with the review recommendations. In view of financial and human resources constraints, it was agreed that a phased implementation approach should be adopted, and following a rationalisation exercise, a schedule and resourcing options were drawn up. The total number of positions recommended by the original review was reduced from 72 to 38, requiring 10 more staff to be recruited in the 2014–2016 period. Full implementation of the phased programme will depend on the availability of funds as detailed in the resourcing options section of the report. The SPBEQ Strategic Plan 2014–2016, which reflects the expanded mandate of the board with the strategic goal of improved quality of education, was tabled for approval by CRGA.

18. CRGA:

- i. noted the Report of the Joint Working Group on the SPBEA Review;
- ii. directed the secretariat to further analyse and refine the phased implementation plan developed by the Joint Working Group, noting the need to stay within the resources currently available;
- iii. endorsed in principle the SPBEQ Strategic Plan 2014–2016 subject to the results of recommendation ii.

AGENDA ITEM 7 – OPERATIONS AND MANAGEMENT DIRECTORATE REPORT

AGENDA ITEM 7.1 – AUDIT AND RISK COMMITTEE REPORT

19. The Audit and Risk Committee (ARC) was established at CRGA 42 in 2012. At that meeting CRGA also endorsed the committee’s charter and a charter for progressing and strengthening an internal audit function at SPC. The committee met three times in 2014 and in the course of the year approved SPC’s adoption of the International Public Sector Accounting Standards (IPSAS) Framework; an assurance framework to provide a structure for the internal audit and risk

function; a strategic risk plan; and a three-year internal audit and risk plan outlining the audit coverage to be provided over the following three years. ARC noted that the external auditors would be providing an unqualified audit opinion on the 2013 accounts and had commended the strong compliance culture of the organisation. The committee reviewed the draft of the revised Financial Regulations for SPC, which provide a framework to govern its financial administration and activities. The regulations are supported by financial policies and procedures as well as financial delegations approved by the Director-General. CRGA noted that under the proposed regulations, the Director-General may enter into borrowing arrangements but only from a member country or development partner and with the specific approval of CRGA. Following a formal tender process, the committee appointed Ernst and Young to undertake the three-year work plan for internal auditing and recommended that PricewaterhouseCoopers be appointed external auditors for the 2014–2016 period. CRGA expressed appreciation for ARC's work and for Australia's support of this important mechanism.

20. CRGA:

- i. noted the report from the Chair of the Audit and Risk Committee;
- ii. approved the appointment of PricewaterhouseCoopers as external auditor of SPC for the period 2014–2016;
- iii. approved the Financial Regulations.

***AGENDA ITEM 7.2 – FINANCIAL STATEMENTS FOR 2013 AND
STATUS OF MEMBERS' ASSESSED CONTRIBUTIONS AND HOST GRANTS***

21. In accordance with SPC's financial regulations, the secretariat presented the audited 2013 SPC financial statements and audit reports for the consideration of CRGA, noting that the records for both SPC's overall finances and the staff provident fund had received unqualified audit opinions for the 18th year in succession. CRGA was also updated on the status of membership contributions: as at 7 October 2014, 16 of SPC's 26 members had fully settled their assessed contributions to SPC. The majority of members had made significant efforts to make payments in full or part during the year. Three members had not made payments in 2014, with one member having been in arrears for over 14 years. The secretariat has made active efforts over several years to encourage members with long-standing arrears to enter into a payment plan and acknowledged the payments made by Nauru under such a plan. CRGA recognised that payment of contributions was important in reflecting ownership and support of SPC.

22. CRGA:

Concerning the 2013 financial statements:

- i. accepted the 2013 audited financial statements as unqualified, presenting a true and fair view of the financial position and financial performance of the secretariat and of its staff provident fund and noted that proper accounting records had been kept;

Concerning the status of assessed contributions:

- ii. acknowledged the significant efforts made by many members;
- iii. requested those members with outstanding contributions, in particular those with arrears, to settle these as early as possible;
- iv. requested members in financial difficulties to agree on a payment plan with the secretariat;
- v. directed the Director-General to lead a mission focused on the issue of long-standing arrears to explore all options and present these to CRGA 45 and the 9th Conference in 2015.

AGENDA ITEM 7.3 – REVISED BUDGET FOR 2014 AND PROPOSED BUDGET FOR 2015

23. SPC's revised budget for 2014 and proposed budget for financial year 2015 were presented for consideration and endorsement by CRGA. The revised 2014 budget was a balanced budget, totalling 110.401 million CFP units (core funding 30.841 million CFP units, project funding 79.560 million CFP units) in income and expenditure. Overall, the 2014 revised budget reflected an increase of 15.044 million or 15.8% compared to the original budget of 95.3574 million CFP units. For 2015, the secretariat proposes a balanced 2015 budget of 110.951 million CFP units, comprising the core budget of 32.97 million CFP units and project funding of 77.981 million CFP units. CRGA was informed of a projected deficit of 1.126 million CFP units and 2.681 million CFP units in the 2016 and 2017 core-funded budgets and advised that the secretariat would not be able to invest funds towards building SPC's reserves in the 2015 budget, nor in the 2016–2017 budgets. In light of these projections, SPC will need to consider prioritisation of services, continue to control costs internally, and implement cost recovery mechanisms. In the short to medium term, the secretariat will also need to significantly increase its resource mobilisation capacity. CRGA was informed that discussions were continuing with New Caledonia, Fiji, Federated States of Micronesia and Solomon Islands on the question of payment of increased host grants, as agreed at CRGA 43 and the 8th Conference.
24. CRGA:
- i. approved the proposed budget for financial year 2015;
 - ii. noted the serious budgetary situation for 2016 and 2017;
 - iii. noted the update on SPC's reserves.

**AGENDA ITEM 7.4 – REPORTS ON HUMAN RESOURCES:
STAFF DEVELOPMENT AND RETENTION**

25. A recent survey of SPC staff engagement showed a high level of commitment to SPC's mission and purpose. Nevertheless, SPC experiences difficulties in attracting and retaining the best possible talent for development in the Pacific Islands. These difficulties include salary levels for internationally recruited staff and lack of job security resulting from fixed-term contracts. The maximum length of contract for all employees is three years. For staff recruited internationally, contracts may be renewed after three years but positions must be advertised after six years (the 'six-year rule'). This practice creates uncertainty for staff, who may be world specialists in their fields, can promote early resignation, generates a heavy recruitment workload and costs (1,300,000 CFP units in 2014) and adversely affects staff development opportunities. For all of these reasons, the secretariat requested CRGA to allow flexibility of contract renewal for internationally recruited staff in salary bands 8 to 14 (excluding Director-level staff and above) and longer-term tenure for locally recruited staff. It was noted that the proposal was not to offer open-ended contracts but to introduce a more flexible system of contract renewal, underpinned by an enhanced SPC performance management system and based on the organisation's skill needs.
26. CRGA:
- i. acknowledged the secretariat's ongoing challenges in attracting and retaining talented people;
 - ii. acknowledged that this situation may undermine SPC's capacity to deliver high-quality services to members;
 - iii. approved the new Staff Regulations, including Section 12 of the Employment and Remuneration Regulations.
 - iv. requested that the Director-General share this approach with CROP heads for discussion, in the spirit of harmonisation.

***AGENDA ITEM 7.5 – ANNUAL MARKET DATA REVIEW AND
FISCAL YEAR 2015 SALARY SCALES AND SALARY REVIEW***

27. CRGA was presented with conclusions and recommendations based on the 2014 annual market data review of the three reference markets used to benchmark the salaries of CROP agencies for positions advertised internationally and for positions advertised locally in each of SPC's four host countries. In particular, CRGA's attention was drawn to the lack of harmonisation between CROP agencies and to the need to find solutions in order for SPC to remain competitive as an employer. CRGA noted that a CROP review of reference markets is to be undertaken in the context of the triennial remuneration review in 2015.
28. CRGA:
- i. approved a cost neutral update of the midpoint for all salary bands for positions advertised internationally of 2%;
 - ii. approved a cost neutral update of the midpoint for all salary bands for positions advertised locally in Fiji of 2%;
 - iii. approved a cost neutral update of the midpoint of salary bands 1, 2 and 3 for positions advertised locally in Noumea of 10%;
 - iv. approved a cost neutral update of the midpoint for all salary bands for positions advertised locally in the Federated States of Micronesia and Solomon Islands of 1%;
 - v. approved a market salary increase of 1.5% for all staff in all locations, with the exception of members of the Senior Leadership Team;
 - vi. noted that a review of salary reference markets is to be undertaken by CROP and requested the secretariat to inform CRGA of the results in due course.

***AGENDA ITEM 7.6 – OPERATIONS AND MANAGEMENT:
PERSPECTIVES AND INITIATIVES***

29. CRGA noted the significant steps taken by the Operations and Management Directorate (OMD) in 2014 to ensure that its services (administration, human resources, finance, ICT, library, publications and translation/interpretation) meet the organisation's needs. OMD will undertake or complete several initiatives in 2015, including essential upgrading of SPC's ICT infrastructure and services, rationalisation of some services, a new internal budget procedure and an upgrade of the financial system (NAV 2013) to provide access to real-time financial information across the whole of the organisation. CRGA particularly noted the initiative by SPC's Solomon Island Office to implement an internship programme for people with disabilities and the suggestion that this programme could be mainstreamed in SPC.
30. CRGA:
- i. noted and endorsed the Operations and Management Directorate's continued commitment to improving services across SPC;
 - ii. noted the significant resources required to implement many OMD initiatives;
 - iii. endorsed increased investment of SPC resources to strengthen OMD services, particularly in ICT.

**AGENDA ITEM 8 – THEMATIC SESSION:
MULTI-SECTOR APPROACH TO ADDRESSING NCDs IN THE PACIFIC –
MOVING AHEAD TOGETHER**

31. Most of the determinants of non-communicable diseases (NCDs) lie outside the health sector. Sectors such as finance, economics, trade, justice, education, agriculture, fisheries and transport all affect the development of NCDs in Pacific populations, reflecting that people's environment is highly important in the increasing incidence of these diseases. The Pacific NCD crisis can only be addressed by a multi-sector approach involving all relevant sectors and incorporating a 'Health in All Policies' approach. SPC is involved in several initiatives to strengthen the multi-sector approach to NCDs, not only across the organisation but also in interactions with members and partners, noting that current efforts to combat, prevent and reduce NCDs are not enough. Recent initiatives include the establishment of the Pacific NCD Partnership, which aims to strengthen and coordinate the capacity and expertise needed to support Pacific Island countries and territories, and the NCD Roadmap, which was developed in response to demands from Forum Economic Ministers for economic solutions to NCDs. Trade Ministers have also recognised the importance of a balanced approach to public health issues and the need for trade and health officials to work together. In SPC, an NCDs/Food Security Working Group, which includes all divisions, has been set up to strengthen the multi-sector approach.
32. CRGA:
- i. endorsed SPC's multi-sector approach to NCDs;
 - ii. advocated that member countries prioritise multi-sector approaches to NCDs and implementation of policies and actions to address NCDs.

**AGENDA ITEM 9 – PACIFIC FRAMEWORK FOR REGIONALISM AND
STATEMENTS FROM OBSERVERS**

Presentation by Pacific Islands Forum Secretariat

33. Pacific Leaders endorsed the Framework for Pacific Regionalism at their meeting Palau in July 2014, calling for countries to work more closely together in support of shared objectives. A key aim of the framework is to improve the focus and effectiveness of Leaders meetings and other regional mechanisms, in pursuit of regionalism. While implementation of the Framework is already underway, the Specialist Sub-Committee for Regionalism is yet to be established and identification of high-order priorities for oversight by Leaders, are yet to be determined.
34. CRGA:
- i. noted with appreciation that all countries and territories, including non-Forum members, had been consulted in the development of the framework and looked forward to further information on its implementation;
 - ii. noted with interest and appreciation the statements made by observers from the European Union, Pacific Disability Forum, Pacific Island Development Forum, Secretariat of the Pacific Regional Environment Programme (SPREP), World Health Organization (who spoke on behalf of all United Nations agencies based in the Pacific) and the Ambassador of the Republic of Singapore to the Pacific Islands Forum. A statement from the University of the South Pacific was handed to the secretariat for inclusion in the meeting report.

**AGENDA ITEM 10 – FORTY-FIFTH CRGA:
VENUE, CHAIRPERSON AND VICE-CHAIRPERSON**

35. CRGA:
- i. noted that the venue for the 2015 meeting of CRGA 45 and the Ninth Conference of the Pacific Community will be Alofi, Niue, and that members will be advised of the meeting dates in due course; and
 - ii. noted that the Chairperson for CRGA 45 will be provided by Nauru and the Vice-Chairperson by New Caledonia.

AGENDA ITEM 11 – EVALUATION OF CRGA 44

36. Delegates were asked to respond to a series of questions on the meeting format, content and discussions of CRGA 44. An analysis of responses will be included in the full report of CRGA 44.

AGENDA ITEM 12 – OTHER BUSINESS

37. The following items were noted by CRGA:

Festival of Pacific Arts

38. The representative of Guam invited all delegates to attend the 12th Festival of Pacific Arts, which will be held in Guam from 22 May to 4 June, 2016.

Update on the transfer of the CETC Development Course to USP in 2014

39. To mark the transfer of the CETC Development Course to the University of the South Pacific (USP) from 2014, SPC has offered 16 scholarships for the completion of the new Certificate in Community Development and Diploma in Social and Community Work. SPC further discussed the fee structure for these courses with USP, as non USP member students pay a much higher fee than the regional fees charged for students from USP member countries. The USP Council, at its meeting last week, approved the application of the regional fee for the Certificate in Community Development only, under the Centre for Vocational and Continuing Education, to SPC members. Students from non-USP countries can benefit from the regional fee offer.

Visit by the French President to SPC

40. The Director-General announced that the President of France will visit SPC headquarters on 17 November 2014. Pacific leaders have been invited to participate in a high-level dialogue on climate change at SPC. The invitation has been accepted by several leaders.
41. The representative of France confirmed the visit of the President, and announced that a roundtable would take place at SPC prior to the dialogue with the President of France and that heads of delegation would be invited to a dinner with the President and officials of the Government of New Caledonia.

AGENDA ITEM 13 – ADOPTION OF CRGA DECISIONS

42. CRGA 44 adopted its decisions.